

FINANCIAL TIMES

Weekend FT

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World Business Newspaper http://www.FT.com

WEEKEND AUGUST 24/AUGUST 25 1996



Moscow rumours that prime minister may take presidential powers

Kremlin crisis grows as Yeltsin snubs Lebed

By John Thornhill in Moscow

The crisis in Russia's leadership deepened yesterday when President Boris Yeltsin delivered a second public snub to Mr Alexander Lebed, the national security adviser.

peace deal also fuelled rumours that Mr Victor Chernomyrdin, the prime minister, might be planning to declare Mr Yeltsin incapable of leading the country, temporarily assuming presidential powers himself.

The rumours appear to be coming from the Kremlin and may only reflect the unfounded concerns of Mr Yeltsin's team, said one Russian political observer.

Mr Chernomyrdin, who has just been reconfirmed as prime minister by parliament, has proved a loyal supporter of Mr Yeltsin in troubled times and would shrink from unseating the president prematurely.

Any move to declare Mr Yeltsin unfit to govern would cause political mayhem if it proved unfounded.



Returning to Moscow, Alexander Lebed after his talks with Chechen rebels yesterday

Top mafia man offers to testify against his colleagues

By Robert Graham in Rome

A top member of the Sicilian mafia has agreed to give evidence against his mafia colleagues in one of the most sensational turoarounds by a leading figure in the international criminal organisation.

If Mr Giovanni Brusca's decision to co-operate proves genuine, mafia experts say the Corleone clan might lose its dominance of the Cosa Nostra, the umbrella organisation of the Sicilian mafia.

He might also offer magistrates up-to-date information on the links between the Cosa Nostra and the Italian political establishment.

Mr Brusca is considered directly responsible for some of the most brutal political killings in recent years in Sicily and of involvement in the 1993 bombing of the Uffizi Gallery in Florence.

Palermo magistrates say Mr Brusca, whose family has been the traditional mafia clan running the town of San Giuseppe Jato, south of Palermo, has a lot to tell.

He has been regarded as one of the most effective and violent lieutenants of Mr Totò Riina, the "boss of bosses", who has been in prison since his arrest in January 1993.

For almost two decades the "Corleonesi" under Mr Riina have run the Cosa Nostra, Mr Pino Arlacchi, the country's leading expert on the organisation, said Mr Brusca's move did not spell the end of the mafia, but rather the end of its military-style tactics which sought to confront the state head on. Judicial authorities carefully avoided any sense of euphoria over his decision to co-operate in return for protection and immunity.

Mr Giancarlo Caselli, the chief public prosecutor in Palermo, has been instrumental in persuading Mr Brusca to

Continued on Page 24

VW insists \$162m investment grant by Saxony is legal

German carmaker Volkswagen, which is at the heart of a bitter row between the European Commission and the state government of Saxony over investment grants, said its DM241m (\$162m) grant was paid legally and that it would stick to its spending plans in the former East Germany.

Bonn has condemned Saxony's payment in defiance of an EC ban, but accepts that VW is entitled to support. Page 24 and Lex

London shares reach record close

UK share prices ignored a poor opening performance by Wall Street and an indifferent showing by bonds, and surged ahead to all-time intra-day and closing highs. The FT-SE 100 broke through the 3,900 level for the first time and closed 16.4 points ahead at a record 3,975.5. At its best, shortly after trading commenced, the index touched a peak 3,911.6. The All-Share index also reached an all-time high of 1,930.75. Over the week the FT-SE 100 has risen 34.6, or 0.9 per cent. Page 21; World stocks, Page 19; Lex, Page 24; Markets, Weekend FT Page 2X

Honda quadruples first-quarter profits: Strong sales of recreational vehicles and a favourable exchange rate helped Honda more than quadruple first-quarter pre-tax profits to ¥76.1bn (\$706m). Page 5

Germany call for more action on beef: The German agriculture ministry and the country's farmers' union demanded more action by the European Commission to stabilise the beef market in the wake of the BSE crisis. Page 4

Apec considers tariff cut: The Asia Pacific Economic Co-operation forum is to look closely at a US proposal to eliminate tariffs on trade in information technology and products. Page 3

Kvaerner seeks partner for Cunard: Norwegian engineering and shipbuilding group Kvaerner is seeking a joint venture partner for Cunard, the loss-making cruise line which it inherited with its \$904m (\$1.4bn) takeover of Trafalgar House. Page 5

KPN looks for further sales growth: KPN, the privatised Dutch post and telecoms utility, reported first-half net income of F1.2bn (\$710m), up from F1.1bn for the same period a year earlier, and said it expected further growth in sales. Page 5

Coloured tyres: Michelin, the world's largest tyre-maker, has developed a green-coloured radial which it may put on sale next year. Other colours may be developed later. Page 24

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Companies in this issue

Table listing companies and their page numbers: Baldwin 6, Bass 6, British Airways 6, Carlsberg-Tetley 1, Caspian 6, Classic FM 24, EMI Group 4, GWR Group 24, Grafton 1, Group Lotus 6, Honda 5, HSBC Gibbs 5, Independent Energy 6, Irish Air LP 6, Kapt 6, KPN 6, Kvaerner 6, Lawrence 6.

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Clinton brands nicotine an addictive drug

By Patti Waldmeir in Washington

President Bill Clinton yesterday declared nicotine an addictive drug and imposed strict curbs on tobacco sales to minors, in an election year assault on teenage smoking.

Pre-election move targets teenage smoking

law to extend health insurance coverage. By declaring nicotine an addictive drug, the president put sales and distribution of tobacco under the control of the Food and Drug Administration, which is charged with preventing unsafe drugs from reaching the market.

bars or nightclubs - but to ban all others. Mail order sales will also be legal. But tobacco advertising will be heavily restricted and tobacco company sponsorship of sporting events forbidden.

Mr Clinton said the FDA would soon take steps to require tobacco companies to educate children about the risks of smoking, but did not say how such companies would be expected to spend on such measures. The measures were widely publicised in advance of Mr Clinton's announcement. Share prices of two leading tobacco companies, Philip Mor-

ris and RJR Nabisco, have lost about a fifth of their value in the past two weeks. Yesterday Philip Morris shares gained 3% to \$87.4 while those of RJR were up 3% to \$25%.

The move came as the jury was considering its verdict in an Indianapolis court case in which the big tobacco companies are being sued over a smoker's death from lung cancer. The case follows a verdict two weeks ago by a jury in Florida awarding \$750,000 against the industry. Investors

fear another award against the cigarette makers could provoke a vast number of claims.

Theoretically, the FDA could declare tobacco unsafe and ban it from the market altogether, though this is unlikely in the near term. The White House said yesterday it expected the president's measures to be challenged in court. Addressing a ceremony at the White House rose garden, Mr Clinton said smoking was the biggest health problem facing Americans - 3000 teenagers started smoking each day, and one-third would die early as a result. "This epidemic is no accident," he said.

Continued on Page 24

Prudential holds talks over \$1.7bn reinsurance arm sale

By Motoko Rich and Ralph Atkins

Prudential Corporation, Britain's largest life insurer, is in talks with at least one potential trade buyer for Mercantile & General, its reinsurance subsidiary which had been lined up for flotation this autumn.

worth at least £1.1bn (\$1.7bn). A trade sale would add to the surge of consolidation in the global reinsurance sector.

Earlier this month, Munich Re, the world's largest reinsurer, announced the \$3.3bn acquisition of American Re. Last month US-based General Re said it was acquiring US rival National Re for \$940m. Another possible buyer for M&G Re could be US-based Employers Re, the reinsurance company owned by General Electric of the US.

The disposal would boost Prudential's war chest for further acquisitions.

When the group announced plans for M&G Re's partial flotation last June, Mr Peter Davis, chief executive, reaffirmed the group's commitment to expand its presence in life assurance and retail banking. No secret was made of its desire to acquire a leading society or another life insurer. Over the past few months Prudential's name has been linked with a number of potential targets, including the Woolwich and Alliance &

Continued on Page 24

Table with columns: STOCK MARKET INDICES, US LUNCHTIME RATES, N STERLING, N DOLLAR, N LONDON MONEY, N GOLD. Includes various market data points.

Table with columns: CONTENTS, News, International News, UK News, Weather, Law, Leader Page, Latest, Men in the News, Companies, Int'l, Markets, FT-SE Active, FT/SP-A, Foreign Exchanges, Gold Metals, Equity Options, London SE, LSE Listings, Money Markets, Recent Issues, Share Information, World Commodities, Wall Street, Bourses, Weekend FT, Section 1.

Advertisement for Cinven featuring a tree surgeon and the slogan 'IF A TREE SURGEON WANTS TO BRANCH OUT WE'LL GIVE HIM ROOM TO GROW. CINVEN / INDEPENDENT / VISION'.



NEWS: EUROPE

Computerised registries will allow cross-checking of information to detect false prices

Italy moves on property tax evasion

By Robert Graham in Rome

Italy's centre-left government is set to end the time-honoured practice of under-declaring the purchase price of property to avoid taxes. The seller of a house has to pay capital gains tax and the buyer pays value added tax - although the system varies for first-time buyers.

On purchasers and properties. Cross-checking computer information held in different ministries has already unmasked a large number of citizens living off false invalid pensions. Property purchases have been one of the main forms of tax evasion and are responsible for a large wash of "grey" money in the economy - it is common for up to half the real price of a house to be paid under the table, often outside the country.

Governments have turned a blind eye because the practice is so common and a clampdown could prove unpopular. At present, property deeds are kept in 136 registries across the country, often in chaotic conditions. Much of the work in registering the documents involves elaborate hand-written annotations and time-consuming procedures. In October the government aims to put data and documents from 35 registries on

computer. This will initially involve 9.5m transactions and more than 3.4m accompanying documents. Some of the biggest cities will be involved from the outset. In Palermo there are 1.1m transactions and 270,000 documents to be copied, while in Bologna there are 650,000 transactions and 140,000 documents. The first part of the exercise is due to be completed by next August. No date has been given for the computerisation of information, but

the authorities believe that even with data from the first 35 registries they will be able to start cross-checking. The value of property, especially in cities, is well known and it will be easy to compare the declared price against that prevailing in the market. It will also be possible to cross-check the declared price of a house purchase against the annual communal property tax, the refuse tax (a city rate which is determined by the size of a

property), the amount of electricity used, the size of a phone bill and an owner's tax return. The finance ministry believes there are 40m or more properties in Italy. Almost 1m came to light in a recent amnesty on illegal property development. To help computerisation of data, the government recently enacted a law obliging lawyers to place property transactions on discs which are then fed into registry computers.

INTERNATIONAL NEWS DIGEST

Police evict immigrants

French police yesterday removed 300 immigrants barricaded in a north Paris church, as the government acted to end their protest against its increasingly rigid immigration policies. The police raid, in the early hours of the morning, was broadly applauded by the political right but criticised by the left. The protest at the church had become a source of acute political embarrassment for ministers. Mr Jean-Louis Debré, interior minister, indicated after the raid on the Saint-Bernard church that about a third of the 300 so-called sans-papiers would be allowed to stay in France. The immigrants included 10 on the 50th day of a hunger strike. As police carrying gas-masks and riot shields cordoned off the area, sizeable crowds gathered in the streets leading up to the church to chant support for the immigrants. Protests over the issue began in March when 430 Africans without legal documents occupied the Saint-Ambroise church in Paris to demand the right to stay in France. David Owen and Agencies, Paris

Israel intends to renew talks

Mr Benjamin Netanyahu, Israel's prime minister, yesterday said Israel would soon renew peace talks with the Palestinians, apparently in an effort to ensure a regional economic conference scheduled for November in Cairo will not be cancelled. His remarks followed threats by Mr Hosni Mubarak, the Egyptian president, to cancel the conference - which is intended to promote economic integration between Israel and its Arab neighbours - if Jerusalem did not honour its peace commitments to the Palestinians. Mr Netanyahu has now told Mr Mubarak that Israel intends to restart the talks soon, though he gave no date for when this would be. According to a statement, Mr Netanyahu told his ministers: "We intend to renew the talks with the Palestinian Authority now that the steering committee has been established on both sides for negotiations." Israeli-Palestinian peace talks have been stalled since Mr Netanyahu, who opposes relinquishing Israeli-occupied land for peace, was elected in Israeli elections in May. Avi Machlis, Jerusalem

Spain plans secrets reform

Spain's centre-right government, heavily criticised for refusing to hand over intelligence files to judges investigating anti-terrorist hit squads, yesterday approved draft legislation clarifying the rules on official secrets. It also said a reform of the country's Csid intelligence service should be ready in two weeks. Three judges have been demanding Csid documents on covert actions carried out against Basque terrorist suspects during the previous Socialist administration. The new government's refusal has strained its relations with the Basque Nationalist party, one of the regional groups it relies on for parliamentary support. The new rules, establishing three categories of confidential material and defining procedures for declassification, replace a law passed by the Franco regime in 1958. A related bill changes the rules for judges who pursue political careers. In future if they decide to quit politics they must wait three years before returning to their original jobs. David White, Madrid

German regional prices stable

German consumer prices have remained stable this month while there appears to have been a slight acceleration in the year-on-year rate of inflation, according to early reports from state statistical offices published yesterday. North Rhine-Westphalia and Baden-Württemberg reported no change in consumer price indices compared with July, while in Hesse prices fell 0.1 per cent. However, annual inflation rates quickened to 1.6 per cent this month from 1.4 per cent in July in North Rhine-Westphalia and to 1.2 per cent from 1.1 per cent in Hesse and Baden-Württemberg, reflecting falling prices in August last year. Peter Norman, Bonn

N Korea firms nuclear stance

In a clear response to the US presidential election campaign North Korea warned it was ready to resume its nuclear programme and would refuse to participate in peace talks if there was a change in Washington's policy towards the country. The warning, in a foreign ministry statement carried by the official Korean Central News Agency (KCNA) monitored in Tokyo, was aimed at the Republican party's presidential candidate, Mr Bob Dole, who has called for the US to take a tougher stance towards North Korea. "Amid presidential election campaigning in the US, some forces are trying to improve their image by slandering the Democratic People's Republic of Korea," KCNA quoted the statement as saying. The statement, without naming the Republicans, said these forces wanted to stop implementation of a nuclear agreement sought by the current US administration which suspects Pyongyang of developing nuclear weapons. According to the US, North Korea had acquired basic nuclear capability by the time it negotiated a 1994 accord promising Pyongyang \$4.5bn in new nuclear technology in return for freezing its atomic programme. Reuter, Tokyo

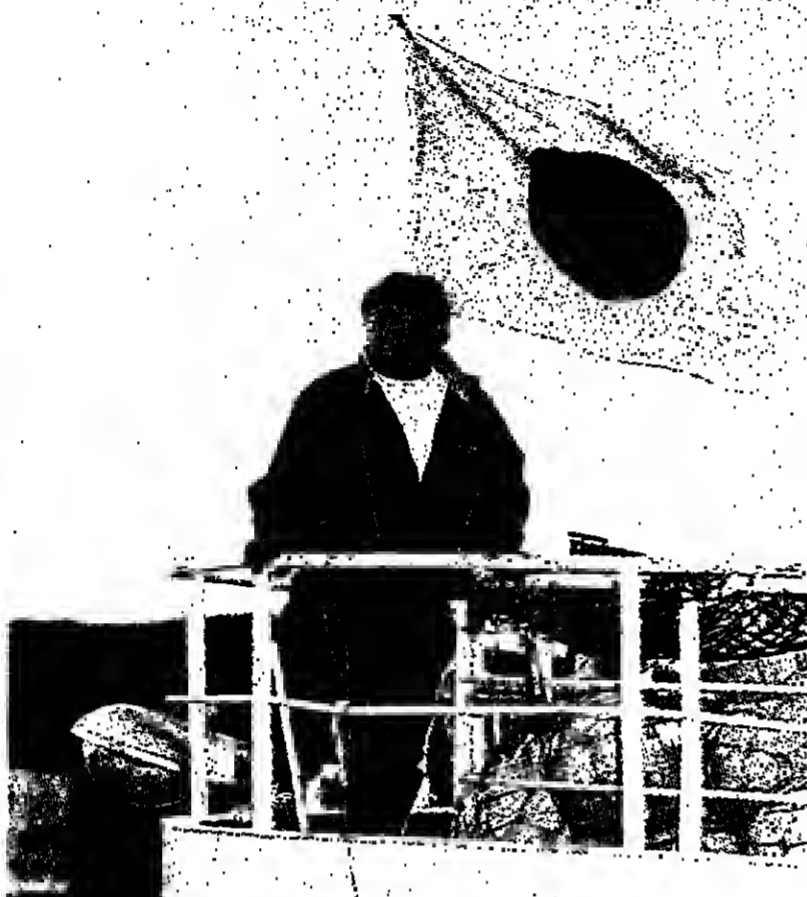
Seoul finds election violations

South Korea's national election monitoring agency said yesterday it had uncovered evidence of election law violations by 20 members of parliament, enough in many cases to cost them their seats. If upheld by the courts, the ruling New Korea party's hold on the National Assembly could be threatened. Thirteen of the 20 deputies belong to the party led by President Kim Young-sam, who has only a three-seat majority in the 293-member assembly. Election officials predicted that at least a dozen of the 20 deputies could lose their seats. The violators typically under-reported money spent during the campaign or spent over the limit. Elections to fill seats vacated by ousted deputies are expected to take place along with the presidential election in December 1997, at the latest. AP, Seoul

Irish keep watch on Japanese fishermen

By John Murray Brown in Dublin

Ireland's tiny maritime patrol fleet was last night engaged in a tense stand-off with more than 30 Japanese tuna boats, following the seizure of two Japanese vessels earlier this week for suspected illegal fishing. Supported by its two Casa-235 Spanish-made reconnaissance aircraft, Irish patrol vessels off the country's western seaboard were awaiting the next move from the Japanese trawlers. The trawlers were standing by outside Irish-patrolled waters, having abandoned their buoy-moored fishing tackle. "If they try to come back to retrieve the gear, we'll board them," said a defence forces spokesman. This is the first time a Japanese craft has been seized inside Ireland's area of the European Union's 200-mile limit. It is the first time in more than two years that a non-EU ship has been apprehended anywhere in EU waters. So far this year, the Irish navy has boarded 803 vessels, 29 of which have been brought to court. Until this week, all vessels boarded were of EU origin.



In search of tuna: a fisherman stands under his flag in an Irish port

The latest incidents highlight the strains on Ireland's patrolling effort, covering 125,000 square miles, equivalent to a fifth of the EU's fishing waters - with just seven vessels. The Japanese captain of the Minato Maru was yesterday charged at a court in Cork with illegal fishing, while a second ship, the Soshin Maru, was taken under escort to Castletownbere, accused of logbook offences. The Japanese presence off Irish waters follows this summer's unusually warm winter temperatures, which are understood to have lured schools of bluefin tuna further north than their

seasonal Atlantic feeding grounds off the Bay of Biscay. "They're highly migratory fish, who follow temperature contours, and apparently have been attracted by the unusually tepid waters off our west coast," said Mr Frank Doyle, secretary general of the Irish Fishermen's Association. The Japanese boats, which are up to 80 metres long, are equipped with sophisticated radar to track the fish, and deploy long lines rather than nets. This technology enables the crew to catch individual fish, a method which

ensures the highest quality, needed for Japan's sushi or raw fish market. The incidents have prompted calls from Ireland to consider its support for the fishing of tuna as a non-quota species as far as the EU is concerned. In another development last night, the Irish patrol vessel, Aisling was "steaming towards" the Japanese fishing fleet. A report says that five members of the crew had been killed in a gas explosion on the Taisei Maru freezer ship 40 miles west of Galway.

Recognition accord signed in Belgrade

By Paul Wood in Belgrade

The Yugoslav federation - consisting of Serbia and Montenegro - and Croatia yesterday signed an "historic" agreement on mutual recognition, formally ending five years of hostility. The agreement recognises borders, provides a framework for settling territorial disputes and allows for refugees to return home. Ambassadors are to be exchanged within two weeks. The Croatian foreign minister, Mr Mate Granic, and his Yugoslav counterpart, Mr Milan Milutinovic, signed the accord in the federation palace in Belgrade, built when the late Communist leader Josip Broz Tito headed a nation of six republics. The two sides ate lunch from plates with the seal of the old Yugoslavia but Mr Granic drove through Belgrade in a car flying the Croatian flag, the first time it had been unfurled on Yugoslav territory since the 1991 collapse of the federation. Mr Milutinovic said the accord was "historic" and represented a turning point in relations between the two countries. Mr Granic said it was "the foundation of stability in the region".

Few details were released about how the accord dealt with a number of disputes which have derailed agree-

ment previously. Yugoslavia has been insisting on a territorial swap to give it the strategic Prevlaka peninsula, part of the Croatian Adriatic coast overlooking the main Yugoslav naval base. Diplomatic sources said it was thought Prevlaka would remain demilitarised under UN control while talks continue on its status. Similarly, it is expected that talks will continue on who has the right of the assets to the old Yugoslavia. But the agreement apparently allows for Yugoslavia, consisting now of just Serbia and Montenegro, to renew membership of international organisations without Belgrade having to submit a formal request. International officials had hoped to see Serbia and Croatia normalise relations when the Dayton accords for Bosnia were signed last December. Relations have been steadily improving, with improved transport and communications links, including reopening of the Zagreb-Belgrade highway.

The International War Crimes Tribunal for former Yugoslavia yesterday opened a liaison office in Belgrade after months of negotiations and strong international pressure. Belgrade is still refusing to act on international arrest warrants issued for three Yugoslav citizens accused of war crimes while in the Yugoslav army.

Hungary counts the rising cost of alcohol

Drinking their way into an early grave... Virginia Marsh examines an increase in cirrhosis

For most of the past two months, Katalin, a cheerful 40-year-old, has been in Budapest's Gula Nyiro hospital, trying to overcome a serious drinking problem.

A single mother, she blames her drinking on the stress of bringing up her three young children alone. Work colleagues persuaded her to seek treatment at Gula Nyiro, which has the city's largest anti-addiction department.

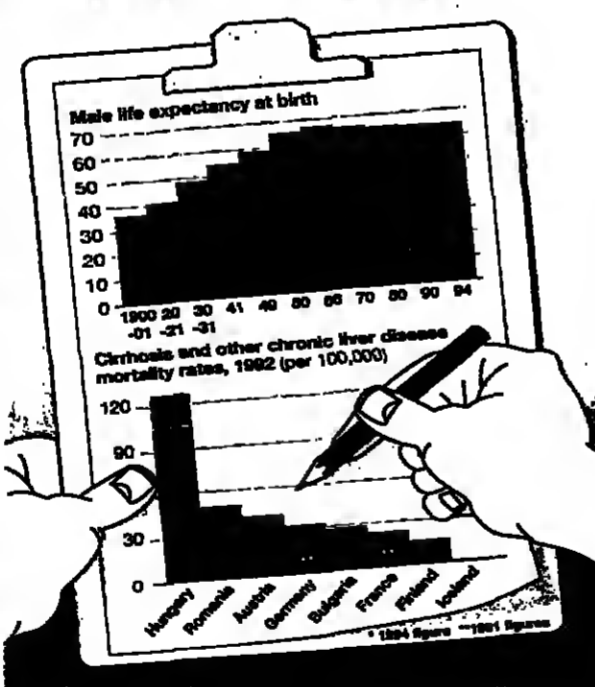
Alcoholism is a serious problem in Hungary and heavy drinking has doubled deaths from cirrhosis and other chronic liver diseases in a decade. Deaths from these causes are more than three times as common as in neighbouring Austria, which itself has one of the highest rates in the European Union. Around two thirds of Katalin's fellow patients are male. By 1994, cirrhosis had become the most common cause of death for men aged between 15 and 64 and was a prime factor behind a 28 per

cent drop in that age group's life expectancy since 1960 - a decline to a level last seen in the 1920s. In one Hungarian county, a 35-year-old man has only a 50 per cent chance of reaching 65, compared with 79 per cent for his Austrian counterpart.

Dr Sandor Fank, Katalin's doctor, is not hopeful of improvements in the near future. But there is one positive trend - excess drinking at work is increasingly unacceptable, with much of the economy now in private hands. "Official statistics don't present a reliable picture as there is a large black market in drink, much of it smuggled in from abroad," he says. "We know there are some dangerous substances around - very toxic, very cheap and completely unappreciated - because we're seeing cirrhosis like never before."

He says the authorities appear unwilling to clamp down on the many alcohol and cigarette manufacturers that ignore or find ways around the ban on advertising their products, noting that these industries are important sources of employment and tax revenues. The increased pressure from alcohol-related diseases comes as the national health system is under increasing

Hungary: drink takes its toll



pressure to make cuts and reorganise due to the large debts run up by the fund which manages it. The semi-independent fund is supposed to be self-financing but its considerable deficits are picked up by the state. In the first half of

present system serves the public poorly and is expensive," says a western adviser. "The problem is that the health ministry is resisting reform rather than leading it. It is leaving too much to the finance ministry, whose main concern is cuts. This is a simplistic approach. You can't expect the health fund to balance its budget in one year. There is a need for a well thought-out long-term strategy."

What most irks many analysts is that several reasons for the nation's poor health are lifestyle-related. As well as alcoholism and smoking - nearly a third of the population smokes and the country's annual cigarette consumption per capita is double western European levels - the traditional Hungarian diet is one factor behind high levels of heart disease.

Hungarians eat a lot of meat and animal fat but just 2-3kg of fish a year, compared with a world average of 12kg, says Dr Gyula Pados, president of the Hungarian Nutrition Council. He estimates two thirds of the population need to go on a diet to combat high cholesterol but says many are unaware they are in poor health or that their diet is part of the problem. A typical main course is pork stew, cooked in lard, with gnocchi and lashings of sour cream. Vegetables are often pickled and salads drenched in sugary dressing. A popular breakfast snack is goose or pork fat on toast with a sprinkling of paprika washed down with a shot of vodka or palinka, a fiery fruit brandy. "A particular problem is inadequate health education at school. This is where we need to start campaigning," says Dr Pados. "Kids learn about amoebae but they don't know what heart disease is." But doctors say it is hard to get people to listen to state-run public health campaigns - after four decades of communism, public distrust of official propaganda is high. Nevertheless, some analysts complain the government is half-hearted in launching such campaigns because it fears they will be unpopular. "Officials have told me they are against the aggressive anti-smoking campaigns that have been so successful in the west because the population is enduring enough stress as it is with the transition to a market economy, says a western adviser. "I call that sacrificing public health for social peace."

Corsica tension rises as separatists call off truce

By Andrew Jack in Paris

The uneasy "ceasefire" on the troubled French Mediterranean island of Corsica has come to an end, with a formal statement from the head of A Cincotta, political wing of the clandestine FLNC-canal historique movement, criticising the national government. Mr François Santoni, secretary general of the organisation, writes in the latest issue of its U Rim-bombu journal that the separatists will "pursue the struggle" and accuses Mr Alain Juppé, the prime minister, of "racism" in his

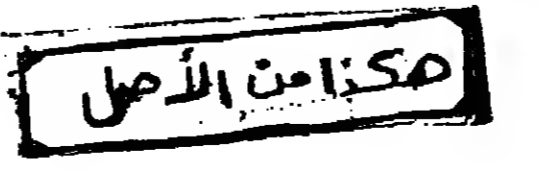
attitude to the Corsican people. The warning this week signals renewed tensions between the government and nationalist groups, and the likelihood of a return to the spiral of nationalist violence that has gripped the island for more than 20 years. Mr Santoni's comments formally ended a truce announced in January during a press conference held by 600 hooded and armed FLNC supporters on the eve of a visit to the island by Mr Jean-Louis Debré, the interior minister. But in the last few months bomb attacks have continued

against the property of leading political figures and public buildings across the island. The bombings have intensified over the past few days. No group has claimed responsibility. Early last month, a car bomb exploded in the northern town of Bastia, killing one Cincotta militant and seriously injuring two others, including Mr Charles Pieri, the leading figure in the movement alongside Mr Santoni. After this explosion the organisation ordered its militants to refrain temporarily from making any public comments or engaging

in political activity - a silence finally broken this week. One of at least four organisations in the splintered nationalist movement to have claimed responsibility for political bombings on the island in recent years - announced in April that it would extend its truce until October. This move came at a time of talks with the French government over aid for the island. Mr Juppé has consistently said his priority is "firmness with dialogue", rejecting suggestions of constitutional or political reform

in favour of financial aid to boost the flagging local economy. But Mr José Rossi, the centre-right politician who heads the regional council governing the south of Corsica and whose flat in Ajaccio was bombed this week, has suggested there has been an ambiguous "double dialogue" between some government representatives and the nationalists. He has argued that Mr Juppé's official policy appears to be the one holding sway, which has surprised and destabilised the more conciliatory approach taken by other ministers or their representa-

tives with nationalists, who are anxious to secure immunity from prosecution for past crimes. To the frustration of local magistrates, the government has assigned the investigation of crimes suspected of being linked to the nationalists directly to a special anti-terrorist group of judges in Paris. There has been a clampdown on nationalists in the last few months - which prompted the FLNC to suspend its truce for two weeks. At the same time, Mr Pieri hinted that violence could spread to mainland France.





NEWS: INTERNATIONAL

Toshiba sets sights on Asia output

By Michio Nakamoto in Tokyo

Toshiba, one of Japan's leading electronics manufacturers, has said its production in Asian countries outside Japan will make up more than half its global output by early 1999, highlighting the escalating shift of Japanese production to the rest of Asia.

The company, which relocated the headquarters of its video cassette recorder business to Singapore in April, plans to invest ¥50bn (\$461m) in production facilities in Asia over the next three years, and quadruple its output in the region to ¥760bn by the end of fiscal 1998.

In Asia constituted 24 per cent of overall foreign direct investment, compared with 19 per cent two years ago. As with other Japanese companies, Toshiba's Asian drive stems from the belief that the region will become the world's largest market in the medium term, with combined gross national product growing at an annualised rate of 7.8 per cent.

The continuing shift of Japanese industry overseas, however, casts a shadow over employment prospects at home. According to the Management and Co-ordination Agency, jobs in the manufacturing sector dropped last year to a monthly average of 13,06m, from 13.4m in 1994.

Meanwhile, a report published by the country's main employers' association this week suggests that while the Japanese economy may be showing signs of self-sustained recovery, the prolonged recession and the structural changes in the economy continue to have a strong impact on domestic employment.



Taiwan's President Lee Teng-hui addresses delegates at the ruling Nationalist party's annual congress yesterday

Taiwan hopes raised by Beijing's call for contact

By Laura Tyson in Taipei

A Chinese appeal last week for a resumption of contacts has kindled hopes in Taiwan that Beijing is at last ready to resume talks it broke off last year in anger over a private visit made by President Lee Teng-hui to the US.

Shipping companies and the government are also encouraged by China's announcement of a set of rules governing direct shipping across the Taiwan Strait. This represents the first formal Chinese response to a similar Taiwanese plan for limited restoration of sea links proposed more than a year ago.

"In principle we welcome this new law, but we are not very satisfied with certain parts of it," said an official at the Mainland Affairs Council, the cabinet-level policy-making body. "It is quite obvious China is trying to inject political issues into the law, and this is not good

Taiwan yesterday put an upper limit on the number of foreign workers it will allow in the country and launched job training schemes costing T\$860m (US\$31m) to trim the jobless rate from a 10-year high of nearly 3 per cent, Reuters reports from Taipei.

A government spokesman said Taiwan would not accept new labour import applications and would freeze the number of foreign workers already in Taiwan at 296,114 unless the jobless rate began to fall.

She noted, however, that the number of foreign workers already in Taiwan totalled only 229,492, pouring in more than \$20bn in recent years, making China the island's biggest overseas investment destination.

Taiwan suggests that if Beijing can compromise on the sovereignty question, the two may be able to move forward on restoring shipping. "If the new law passed by Beijing regarding cross-strait shipping can work together with our offshore shipping centre project, that would be a positive development," the Mainland Affairs Council official said.

But obstacles to improved cross-strait relations loom large. Last week Mr Lien Chuan, Taiwan's premier, made a trip to Ukraine, a Chinese ally, infuriating Beijing, which believes Taiwan is not entitled to foreign relations. At the same time, Taipei launched a bid for entry into the UN for the fourth consecutive year, a campaign which Beijing has demanded be abandoned.

leading Taiwanese ports. Beijing later rejected this scheme.

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Chemical on TWA wreckage hints at bomb

By Patti Waldmeir in Washington

Investigators probing the crash last month of TWA flight 800 have uncovered the clearest evidence yet that the aircraft was brought down by a bomb or a missile, with the discovery of traces of PETN, a component used in some plastic explosives.

But law enforcement officials cautioned that it was too soon to rule out other scenarios, including the possibility that mechanical fail-

ure caused the explosion. However, they said traces of chemical residue discovered on fragments of wreckage were consistent with a bomb or missile.

In terms of loss of life, the TWA disaster would represent the worst crime in US history if it were found to have been caused by a terrorist.

PETN is an explosive component found in many bombs and surface-to-air missiles, making it impossible to know which type of device might have destroyed the

Boeing 747 and killed all 230 people on board. Investigators are not yet ready to declare the TWA disaster a crime because of the uncertainty over the nature of the explosive device, which would be critical information in the event of a court case.

Investigators yesterday refused to confirm a report in the New York Times which said there was definitive evidence of a bomb or missile detonated inside the passenger cabin of the aircraft. "I'm

not going to comment on speculation," said Mr Robert Francis, head investigator and vice-chairman of the National Transportation Safety Board, who was interviewed on NBC.

"We're going to continue this investigation... We need more evidence... If it is a criminal act, there are people who are expert in this area," he said.

The residue is understood to have been found a fortnight ago, on a seat between rows 17 and 23

on the right side of the passenger cabin. Investigators have often said that they need just such evidence to confirm what they have long believed - that the aircraft was downed by a terrorist.

Officials are hoping to find further forensic evidence as salvage workers continue their five-week-long effort to recover wreckage from the ocean floor. The TWA aircraft exploded soon after takeoff from New York's John F. Kennedy airport on July 17.

Apec to take new look at IT tariffs

By Edward Luce in Davao, Philippines

Delegates at the Asia Pacific Economic Co-operation forum yesterday agreed to look again at a US proposal to eliminate tariffs on trade in information technology and products in advance of the World Trade Organisation's first ministerial meeting in December.

The initiative has split Apec, according to US officials, with some south-east Asian economies sceptical while more advanced east Asian members, including Taiwan and Hong Kong, have viewed it with enthusiasm.

But yesterday, countries lukewarm to the US initiative agreed to draw up their own less extensive version of the proposals. All 18 members of Apec have agreed to produce individual definitions of desirable product ranges before the next Apec meeting in October.

"The first group in Apec wants to narrow the product range quite considerably," said Mr John Wolf, leader of the US delegation at the meeting, held in the Philippine city of Davao. "The second actually wants to extend the range of products to a broad definition of information technology."

The proposal - which, in its broadest version, encompasses all telecommunications, computer, television and software products in a process which would eliminate tariffs on IT by the turn of the century - has also been submitted to the WTO's market access committee in Geneva.

On the last day of the three-day meeting of senior officials, Apec delegates also agreed to draw up basic criteria for countries applying to join the free trade group. Ten nations, including Russia, India, Vietnam and Mongolia, wish to join but have been blocked by a three-year moratorium on new members. The moratorium, which lapses this year, could be renewed at the Apec heads of state meeting in November.

Officials said applicants would be required to submit individual action plans (IAPs) spelling out how they intended to eliminate barriers to trade and investment. The IAPs, which would cover 13 broad product lines, giving timetables and the scope of proposed trade liberalisation, would be based on the format used by Apec members.

Fifteen existing members have resubmitted IAPs which were initially drawn up in May.

Market jitters over US orders

The latest US durable goods report prompted jitters on Wall Street yesterday when the increase in orders turned out to be significantly stronger than expected. The commerce department reported that the figure for July climbed by 1.6 per cent from the previous month, compared with economists' consensus forecast of a 0.5 per cent increase.

The report sparked a quick sell-off in the fixed income market. At lunchtime the benchmark 30-year long bond was 1/8 down at 97 1/2, driving the yield up to 6.514 per cent. But equities largely shrugged off the figures - the Dow Jones Industrial Average was just 9.62 points down at 5,723.85.

The level of durable goods orders - including cars and home appliances - is an indicator of the state of the US economy. Wall Street is concerned that if the pace of US economic growth seen in the first half of this year continues unchecked, the Federal Reserve will have to push up interest rates to contain the threat of inflation.

The rise in orders was broad based apart from weakness in defence orders, which fell 36.5 per cent. Excluding the volatile transportation sector, July orders would have been up by 2.1 per cent, compared with 0.2 per cent in June and 1.1 per cent in May. Richard Tomkins, New York

CS\$50m pyramid fund broken

Toronto police estimate as many as 10,000 investors in Canada and Europe stand to lose C\$50m (US\$36.5m) from a recently uncovered illegal pyramid selling scheme. The victims were drawn into the scheme with promises of a 10 per cent monthly interest rate and were assured their money was doubling every day from investments in commodity futures and currency markets.

Mr Mehdi Alifabadi has been arrested on fraud and extortion charges. According to police, the organiser ran the scheme from the boot of a leased car, keeping few records. Investors complained that interest payments had stopped and demands for repayment of principal had gone unheeded.

Guatemala accord agreed

Opponents in Guatemala's 36-year civil war have agreed to sign a final ceasefire agreement in Oslo next month, Norway's deputy foreign minister said yesterday. Mr Jan Egeland, who is in Guatemala, said that rebels and government leaders agreed to a signing ceremony in the Norwegian capital during October.

Guatemala's government and its rebel adversaries have had sporadic talks since 1991 about ending the conflict that has killed at least 140,000 people. A temporary ceasefire signed on March 20 had held and was to be made permanent at the Oslo ceremony, Mr Egeland said.

The key remaining issue is whether amnesty will be granted for attacks and human-rights violations committed during the war, in which thousands of civilians disappeared.

Tokyo challenge to Jakarta

The Japanese government is poised to take Indonesia to the WTO in a dispute over car import tariffs. Japan has complained about proposed preferential tax treatment for cars produced under Indonesia's planned national car programme, a joint venture between a company headed by the son of President Suharto and Kia Motors of South Korea.

"We have told [the Indonesian side] that if cars [produced under the national car programme] are imported into Indonesia free of tariffs, we will have to adopt a serious response, which could include asking for a WTO dispute settlement panel," an official at Japan's ministry of international trade and industry said.

Fujimori to run for third term

After 14 hours of congressional wrangling which continued until early yesterday morning, Peru's ruling alliance cleared the way for President Alberto Fujimori to run for a third consecutive term in office in the year 2000. Almost all the opposition walked out in protest before the final vote.

Even opposition politicians who normally support the government were harshly critical of what they deem an unconstitutional manoeuvre.



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NEWS: UK

Farmers and ministers call for tough measures from Brussels to stabilise the market

Germans demand more action on beef

By Peter Norman in Bonn

The German agriculture ministry and the German farmers' union yesterday demanded more action by the European Commission to stabilise the beef market in the wake of the BSE crisis.

The ministry said at a meeting with Mr Jochen Borchert, the German farm minister and representatives of the farmers and abattoir operators that there was a call for the UK to step up its programme for eradicating BSE.

The "hitherto inadequate measures taken by Bonn and Brussels" to deal with the crisis had led to an "explosive mood among German beef farmers", it added.

The German demands, coming in advance of a meeting of farm ministers in Brussels on September 16, mark the first salvo in what is likely to be a protracted battle over BSE. It also makes it less likely that the British government will achieve its deadline of getting the export ban on British beef lifted by November.

Dr Richard Peters, agricultural attaché at the German Embassy in London, also insisted that his government was right to issue a warning about British lamb as long as there was a possible risk to public health from BSE.

US Lloyd's Names jockey over rights

By Richard Waters in New York

Last-minute jockeying over the legal rights of US members of the Lloyd's insurance market continued yesterday as it awaited a ruling from a US Federal court that could determine the success of its restructuring plan.

which could have the effect of blocking the Lloyd's plan. Names who do not accept the Lloyd's restructuring plan to pursue any legal claims through the US courts.

The Virginia case comes just days ahead of Wednesday's deadline for Names to accept or reject the \$3.2bn (\$4.96bn) out-of-court settlement offer which is part of the recovery proposal.

Securities regulators agreed not to take action against Lloyd's in return for extra financial compensation for US Names.

for places on syndicates at the insurance market. Ralph Atkins writes. The "capacity" traded this week was equivalent to \$377m in premium income, bringing the total traded in the four auctions this year to \$735m - about 7 per cent of Lloyd's total capacity.

Factory spending declines sharply

By Gillian Tett, Economics Correspondent

Manufacturing investment fell back sharply in the second quarter of the year, official figures showed yesterday.

UK NEWS DIGEST

Offer studies power prices

Offer, the electricity regulator, has launched an inquiry into wholesale electricity prices after sharp rises this week took August prices to levels not seen since privatisation in 1990.

The worst day for consumers who buy directly from the wholesale electricity market was Wednesday when the average price at 4.4pence a kilowatt hour was nearly 60 per cent higher than for the same day last year.

Power industry executives said this week was unusual in that about 15,000MW of generation capacity was out of service for maintenance. This is equivalent to 20 per cent of the installed generating capacity of the UK.

Mr Don McGarrigle, who chairs the electricity subgroup of the Major Energy Users' Council, said it was possible that the generating companies were manipulating their availability of plant to push prices higher.

INDUSTRIAL ACTION

Rail strikes may spread next month, but a threat by mail workers to extend their next two strike days to four was withdrawn yesterday.

Turmoil across the rail network by train crews belonging to the RMT transport union looks set to escalate next month as more private operating companies are allotted on strike action for productivity pay and rest breaks as part of a rolling programme of disruption.

RADIO

Classical music station bought

Fast-expanding local radio operator GWR Group is swallowing Classic FM, Britain's first national commercial radio station, paying £71.5m (\$110.82m) for the 83 per cent it does not already own.

The merger of Classic and GWR marks the latest phase in a rapid consolidation of the UK's increasingly profitable commercial radio stations. With 4.6m listeners a week, Classic FM has more listeners than the 3.8m achieved by all of GWR's stations combined.

BROADCASTING

BBC appeals for more funds

The BBC last night appealed to the government for the first real increase in the size of the licence fee for more than 10 years. The BBC, which carries no advertising on its television and radio programmes, is financed through revenue from the fee from the state licence which all users of television sets are required to buy.

Mr John Birt, the BBC director-general, warned that if the public-service corporation was to sustain its existing level of services and creativity "then at some point in the future - and for the first time since 1985 - we shall need a real increase in the level of the licence fee".

GUEST BEERS

European move disputed

The government yesterday hit back at a European Commission move to force the UK to change its rules on "guest beers" - draught beers produced by one brewer and sold in public houses tied by contract to another. Mr John Taylor, corporate and consumer affairs minister, said: "The commission's concern is that the provision indirectly discriminates in favour of UK brewers, contrary to Article 30 of the Treaty of Rome. The UK does not accept this."

Mr Taylor said speculation that the commission's action could lead to an extension of the guest beer provision to include lagers was unfounded. Any move to amend the provision would have to take account of competition, tenants and consumer choice.

DRUG TRAFFICKING

Few illicit assets recovered

Only £12m of drug traffickers' assets have been recovered since the courts were given power to confiscate illicit proceeds in 1987, the National Audit Office reveals today. The asset recoveries represent a tiny proportion of drug seizures by Customs & Excise which amounted to £510m (£790.5m) last year alone.

INKEL CORPORATION

(Incorporated in the Republic of Korea with limited liability) To the Holders of the Company's U.S. \$20,000,000 1/2 per cent. Convertible Bonds 2003 (the "Bonds")

NOTICE OF MEETING

Notice is hereby given of a meeting of Bondholders to be held on 18th September, 1996 at 10 a.m. at the offices of Chase Manhattan Bank Limited (the "Trustee") at Woolgate House, Coleman Street, London EC2P 2HD to consider and, if thought fit, approve the following resolutions as Extraordinary Resolutions (as defined in the Trust Deed) dated 20th June, 1996 between the Company and the Trustee:

- 1 THAT the Extraordinary Resolutions passed at a meeting of Bondholders held on 25th July, 1996 be and is hereby revoked in its entirety and the Trustee be and is hereby directed not to give notice to the Company that the Bonds are immediately due and repayable and/or take any steps to procure repayment of the Bonds.
2 THAT, subject to the First Supplemental Trust Deed referred to in Resolution 4 below being duly executed, the Company's proposal that the Bonds which are redeemed pursuant to the First Put or the Second Put need not be cancelled and may be retained or resold shall be approved in principle and is hereby approved in principle.

(a) The following paragraphs shall be inserted as Condition 7(D) and Conditions 7(D) to 7(G) shall be renumbered accordingly:
'Redemption at the option of the Bondholders
(i) The Company will, at the option of the holder of any Bond, redeem such Bond on 23rd September, 1996 (the "First Put Date") at the principal amount of such Bond together with interest accrued to the date of redemption. To exercise such option (the "First Put") the holder must, by no later than 5 p.m. (Brussels time) on 18th September, 1996 deposit such Bond, together with all Coupons relating to it which mature after the date fixed for redemption, with any Paying Agent together with a duly completed redemption notice in the form obtainable from any of the Paying Agents. No Bond so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Company. Notice of the commencement of the period for the deposit of the Bonds for redemption pursuant to this Condition 7(D) shall be given to the Bondholders on 17th September, 1996.

(ii) The Company will, at the option of the holder of any Bond, redeem such Bond on 23rd September, 1996 (the "Second Put Date") at the Redemption Amount of such Bond. To exercise such option (the "Second Put") the holder must, not more than 60 days nor less than 30 days prior to such date, deposit such Bond, together with all Coupons relating to it which mature after the date fixed for redemption, with any Paying Agent together with a duly completed redemption notice in the form obtainable from any of the Paying Agents. No Bond so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Company. Notice of the commencement of the period for the deposit of the Bonds for redemption pursuant to this Condition 7(D) shall be given to the Bondholders.

In this Condition "Redemption Amount" means an amount equivalent to the principal amount of such Bond to be redeemed multiplied by the percentage calculated in accordance with the formula outlined in (b) below (the "1999 Put Price") together with interest accrued to the date of redemption.

P2 = (1 + r)^t \* (P1 + (C \* 360) / (1 + r) \* ((1 + r)^t - 1) / r) - SC

Where: P2 = 1999 Put Price expressed as a percentage (rounded up, if necessary, to the nearest three decimal places)
P1 = 1996 Put Price (which equals 100 per cent.)
C = 1/2 per cent. (being the current interest rate)
SCP = The number of days from the First Put Date (23rd September, 1996) to the next Interest Payment Date
SC = C \* 360 / 360

(b) (i) + s) to be calculated on a 360 days per year basis as described in Rule 251.1 and Rule 803.1 of the Rules and Recommendations of the International Securities Market Association (or any substitute or successor thereof) and expressed as a percentage.
s = Spread of 1.90 per cent.
Y = Yield on the Reference 3 year U.S. dollar LIBOR swap rate.

(c) The Yield on the Reference 3 year U.S. dollar LIBOR swap rate for the purposes of y above, will be determined by Daewoo Securities Co., Ltd. on the following basis:
The "Yield" will be the offered 3 year U.S. dollar LIBOR swap rate which appears on the display designated "GOTY" on the Reuters monitor (or such other page or service as may replace it for the purpose of displaying the offered yields on such Reference 3 year U.S. dollar LIBOR swap rate) at the first quotation in the Reference 3 year U.S. dollar LIBOR swap rate occurring on or after 10.00 a.m. (Hong Kong time) on the Determination Date.

"Determination Date" means 16th September, 1996.

(d) The words "and (C)" in the third line of Condition 7(A) shall be deleted and the words "(C) and (D)" shall be substituted therefor.
(e) The words "Paragraph (D)" in the second line of Condition 7(F) (renumbered as Condition 7(G)) pursuant to resolution 2(a) above shall be deleted and the words "Paragraph (E)" shall be substituted therefor.

3 THAT, subject to the First Supplemental Trust Deed referred to in Resolution 4 below being duly executed, the Company's proposal that the Bonds which are redeemed pursuant to the First Put or the Second Put need not be cancelled and may be retained or resold in the open market or otherwise at any price be and is hereby approved in principle and is hereby approved in principle.

The words "save that any Bonds or Coupons redeemed at the option of a Bondholder pursuant to Condition 7(D) need not be cancelled and may be retained or resold" shall be inserted at the end of the first sentence of Condition 7(F) (renumbered as Condition 7(G)) pursuant to resolution 2(a) above which will now read as follows:-

"All Bonds which are redeemed or converted or purchased or surrendered to any Paying Agent for cancellation as provided in paragraph (E) of this Condition will forthwith be cancelled together with all unremitted Coupons attached thereto or surrendered therewith, save that any Bonds or Coupons redeemed at the option of a Bondholder pursuant to Condition 7(D) need not be cancelled and may be retained or resold. All Bonds cancelled (together with all unremitted Coupons cancelled) will be forwarded to or to the order of the Paying Agent and may not be resold or reissued. If any Bonds or Coupons purchased by the Company or any Subsidiary and cancelled without all unremitted Coupons appearing thereon, the Company will make payment in respect of any such missing unremitted Coupon in accordance with Condition 5 as if the relevant Bond had not been outstanding for the period to which such Coupon relates."

4 THAT the First Supplemental Trust Deed, in the form produced to the meeting, which following due execution by the Company and the Trustee is to implement the above resolutions be and is approved and the Trustee be and is authorized and directed to execute the First Supplemental Trust Deed.

5 THAT, subject to the execution of the Second Supplemental Trust Deed referred to below by the parties thereto, the proposed merger (the "Merger") of Inkel Corporation into Hattal Electronics Co., Ltd. pursuant to the Merger Agreement dated 12th May, 1996 between Inkel Corporation, Hattal Electronics Co., Ltd. and Now Precision Co., Ltd. at a merger ratio of 0.8925 so that one Non-voting Share of Inkel Corporation will be exchanged for 0.8925 fully paid-up Non-voting Shares of Hattal Electronics Co., Ltd. with the current conversion price adjusted in an equivalent manner, to take effect on 1st November, 1996 and with the other Conditions unchanged, be and is approved, and the Trustee be and is authorized and directed to execute a Second Supplemental Trust Deed, substantially in the form produced to the meeting with such changes thereto as the Trustee may approve, to give effect to the Merger.

Outstanding Bonds (as defined in the Trust Deed) may be deposited with (or to the order of) under the control of a Paying Agent for the purpose of obtaining voting certificates or appointing proxies until 48 hours before the time fixed for the meeting, but not thereafter.

It is for Bondholders to decide whether the 1999 Put Price adequately compensates them for deciding not to exercise their option to require the Company to redeem or for some only of the Bonds held by them on the 1996 Put Date, or not to exercise any other relevant rights that the Bondholders may have.

All Bondholders contemplating any action in respect of the matters contained in this notice should seek independent advice as to their tax position and, if in any doubt, should also seek independent financial advice.

In accordance with its normal practice, the Trustee assumes no view as to the matters contemplated in these resolutions and as to the question of how Bondholders should vote in relation to the resolutions. The Trustee shall not be responsible to Bondholders in relation to the outcome of the vote on any of the resolutions.

The Company has been advised that persons whom it believes represent over 70 per cent. of the Outstanding Bonds intend to vote in favour of the resolutions and accordingly it is highly likely that they will be duly passed. The Company will publish a notice on 17th September, 1996 stating the result of the meeting and whether the First Put may then be exercised and, accordingly, any Bondholder wishing to exercise the First Put will need to act in a timely manner in accordance with Resolution 2.

Copies of an explanatory statement by the Company in respect of the matters contemplated in these resolutions and the listing of the Bonds on the Luxembourg Stock Exchange, together with details of the First and Second Supplemental Trust Deeds, will be available for collection by the Bondholders as from 2nd September, 1996 at the specified offices of each of the Paying Agents set out below.

PRINCIPAL PAYING AGENT: The Chase Manhattan Bank, Woolgate House, Coleman Street, London EC2P 2HD
PAYING AGENT: Chase Manhattan Bank Luxembourg S.A., 5 rue Plaatz, L-2338 Luxembourg, Grand Duché de Luxembourg
Dated: 24th August, 1996



Zulemita Menem: one of her father's strongest supporters

Diplomats wary of Argentine visit

By Jimmy Burns in London

A flurry of diplomatic activity is under way to ensure that the visit to London next week of Argentina's first lady goes off with minimum fuss.

Ms Zulemita Menem, the 25-year-old daughter of Argentina's president, arrives for a two-day visit at a time when Buenos Aires and London have yet to resolve difficulties arising from the Falklands war 14 years ago.

Both governments have resolved to say as little as possible about the trip. "This is the kind of visit we could have done without," admitted one Argentine diplomat. "Miss Menem is on a private visit," was the comment from the Foreign Office - Whitehall shorthand for wishing she was not coming.

London continues to reject requests from President Menem himself for a state visit to the UK, judging that in some military and parliamentary quarters, memories of the conflict are still too fresh.

But this has not stopped Zulemita from securing her entry visa like any ordinary Argentine. "She's going to buy some clothes and maybe see a rock concert," said President Menem's spokeswoman, Ms Gabriella Gerardi.

Since Zulemita's parents separated after a highly publicised family row five years ago, she has played host to visiting dignitaries and accompanied her father on official visits abroad. That was until last week when her mother banned her from joining President Menem on a visit to Malaysia.

Controversy has dogged Zulemita ever since she took a course in business studies at Buenos Aires university. A fellow student claimed her bodyguards passed her an exam crib.

Last November Zulemita hosted a dinner in the presidential palace for the Princess of Wales, but only after discharging herself from a clinic where she had been undergoing a much publicised treatment for depression, together with her mother Zulema.

Zulemita was deeply affected by the death in a helicopter crash last March of her brother and the presidential heir, Carlos.

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Disharmony hits the music business

Independent labels can find multinationals too acquisitive for their liking

When a big company takes over a smaller one, the deal is usually marked by a courteous statement expressing mutual satisfaction. But the acquisition of Go! Discs by PolyGram, the world's biggest music group, triggered a flood of abuse.

Mr Andy McDonald, who founded Go! Discs with £500 in 1983 and has turned it into one of the UK's most successful independent record labels, issued a statement condemning the deal as "an oppressive acquisition" and resigned.

The outburst highlights the tension between the multinational groups such as PolyGram, which dominate the music industry, and the dynamic but often financially fragile, independent

labels that are so adept at discovering talent. For years the music business has been locked in a cycle of consolidation in which new independent labels flourish for a few years only to falter and be bought by multinationals.

The "big five" music groups - PolyGram, Sony, Warner, EMI and Bertelsmann - now command more than 70 per cent of the UK market, with more than £1bn (\$1.56bn) at retail prices last year.

But young bands still prefer to sign to independent labels, which are often able to forge a closer rapport with them, than multinationals. Many successful UK acts - Oasis, Pulp, Björk, the Boo Radleys first signed to independents. Go! Discs'

portfolio includes best-selling acts such as Paul Weller and Fortishead.

The finances of these labels are precarious - largely because their roster of artists is so small that they often hit cashflow problems if albums flop or too much time lapses between releases - that they often have to be bailed out.

Typically the big groups acquire independents after they have gone into receivership. Sometimes compromises are struck in which the multinationals take on distribution rights to the independent's acts outside the UK.

Go! Discs clinched such a deal when PolyGram acquired 49 per cent of its equity in 1987. Creation, the

label behind Oasis, sold 49 per cent to Sony for £2.5m in 1992 in a deal enabling Sony to buy the rest of the shares four years later.

When Sony started talks to take control of Creation this spring, the balance of power had swung in the independent's favour. Creation had a string of successful acts but Oasis was a gold mine, selling more than 15m copies of its first two albums worldwide.

Mr Alan McGee, Creation's co-founder, is so close to Oasis that the band took him on stage when they collected their trophies at this year's Brit awards. He and Mr Dick Green, his fellow founder, threatened to leave Creation if Sony exercised its right to take full control. Fearful of losing them, Sony agreed to

an unprecedented deal in which it paid them £12m to extend the 49 per cent agreement for five years.

Unsurprisingly, Mr Macdonald, then in talks with PolyGram over its plan to take control of Go! Discs, wanted similar terms. But Mr John Kennedy, the lawyer who clinched Creation's £12m deal with Sony, had since become chairman of PolyGram UK and, as a posh-turned-gamekeeper, refused to agree.

PolyGram has been left with 100 per cent of Go! Discs. Mr Macdonald has lost the company he founded, but is several million pounds wealthier. And the balance of power has swung away from independents again.

Alice Rawsthorn

صوتنا من الاجل



## Kvaerner seeking partner for Cunard

By Tim Burt

Kvaerner, the Norwegian engineering and shipbuilding group, is seeking a joint venture partner for Cunard, the loss-making UK cruise line which it inherited with its £504m takeover this year of Trafalgar House.

The company has scaled down plans for outright disposal of the eight-ship fleet, including the Q82 liner, and is hoping to sell a stake to competing operators or institutional shareholders.

Two UK venture capital companies have been asked whether they would consider investing in the cruise line, and Kvaerner is also weighing approaches from rival operators interested in an alliance.

Kvaerner hinted at its plans at a meeting with its

banks this week, it warned lenders not to expect a quick sale of Cunard.

The company has underlined its medium-term commitment to the cruise operator by authorising a \$40m (£30m) investment in refits - including a \$12m overhaul of the Q82 - and computer systems. Cunard is also moving its headquarters from Manhattan to the New York suburb of Westchester.

The relocation, which involves the sale of its leased offices on Fifth Avenue and at Long Island City, will bring together administrative and sales operations on one site. The new offices will also house Cunard's marine and technical development managers, who have been relocated from Southampton.

The plans form a central plank of the restructuring

drawn up by Mr Peter Ward, the line's chairman and chief executive.

If the cruise operator can be returned to profitability over the next two years, Cunard hopes that Kvaerner will then consider expanding the fleet with new vessels built at its shipyards in Scandinavia.

Kvaerner already has a strong track record in cruise ship building and inter-company orders from Cunard would help fill excess capacity at some of its yards.

Meanwhile, Mr Erik Tonseth, chief executive, is thought to be finalising the first of a series of small non-core disposals.

The US plastic components arm of John Brown, the former Trafalgar House business, is expected to be the first to go.

## Lotus shoos the circling vultures

John Griffiths meets Romano Artioli, the man at the centre of the storm

By the beginning of this week, the vultures circling over the Norfolk countryside were starting to look puzzled.

Their quarry should have been visibly buckling at the knees by now. Instead, it was gesticulating at them in robustly hostile fashion and indicating in voluble Italian that they should flock off.

Mr Romano Artioli, the Italian entrepreneur who owns Group Lotus, the sports car and engineering concern, claims he and Lotus are the victims of a fully-fledged conspiracy to create the impression the company is on the brink of receivership and that he must quickly find a new owner. This is, he insists, well wide of the mark.

Lotus is, indeed, severely short of cash. But the problem is claimed to be short-term, not terminal, and its bank, Midland, is said to be supporting the company until revenue starts flowing from its new Elise sports car and consultancy contracts.

Not least, adds Mr Artioli, "the Bugatti problem will be solved, and within the next few days".

It remains a big if for those who have tracked Mr Artioli's doings over the past 18 months - that is true, the companies which hoped to carry off Lotus's carcass might have to return to their roots.

Insiders at Midland were indicating this week that there were no plans to pull the plug on Lotus, and that the company would not be refused further reasonable requests for finance.

Mr Artioli alleges his severe problems with Bugatti Automobili, the Italian sports car company he created in the late 1980s but which went into receivership more than a year ago, have been used to "talk" Lotus into a financial crisis.

With Lotus's perceived value falling and pressure mounting on Mr Artioli from Bugatti creditors, the company was being set for a management buy-out with backing from an outside financial institution, he claims.

Mr Neeraj Kapur, Lotus's finance director and effectively chief executive until he and three board colleagues were removed three weeks ago, denies the charges. Already served with a writ from Lotus Cars citing alleged financial wrongdoing, Mr Kapur says the company's financial difficulties facing Lotus are the consequence of uncertainties about its future arising from Bugatti's collapse with debts of more than \$100m (£84.5m).



Gesticulating at the predators: Romano Artioli claims he and the company are victims of a fully-fledged conspiracy

Lotus Cars' current difficulties take two main forms:

- The revenue stream from contract engineering, which provided £50.4m of its £85.4m turnover and nearly 8m of its £8.5m operating profits last year, is starting to dry up. General Motors, Lotus's former owner, threatened to withdraw its engineering business - about 70 per cent of the total - if a proposed sale to Daewoo had gone ahead. Existing GM business is continuing, but the world's biggest carmaker has shown no sign of willingness to provide further contracts.
- This is happening at the worst possible time for Lotus. Its cash flow problems include the loss of last year's income from building 800 "run-out" versions of the now-defunct Elan.

The company is bearing heavy start-up costs for the Elise, planned to sell for less than £20,000. It has also invested heavily in developing a new V8 engine range for its Esprit supercar and for sale to other carmakers. It has also just finished spending on new engine test cells and other facilities for its engineering business.

The outcome is that its suppliers have become increasingly nervous, particularly after Mr Kapur and other former directors threatened to put Lotus Cars into receivership unless Mr Artioli agreed to sever his links with the company - a tactic which led to their ejection from Lotus's Hethel

headquarters last month.

It is a sensitive time for suppliers. They have been asked by Mr Artioli and his current board - comprising associates linked with Bugatti International, Grand Marques SA and ACBN Holding, the Luxembourg-based holding companies for Bugatti and Lotus - to prepare to triple production of components for the Elise. Its output is to be increased to 2,500 a year, from an originally envisaged 400 this year and 500 a year from 1997.

Their nervousness has been increased by a scare-mongering campaign. Faxes sent anonymously to motoring magazines and other media have alleged that suppliers have pulled out, that Midland is about to take action and that £500,000 in deposits from 500 would-be Elise owners has already been spent.

Several suppliers cited as ready to pull out, when contacted by the FT, said Lotus had been a late payer - but it had paid. All appeared prepared to step up supplies. "I really believe the Elise is going to be a big success," said Mr "Oz" Tims, managing director of Cambridge-based Titan Motorsport, which supplies the steering rack and other components.

Last week, with most of Lotus's 1,000 employees onsite and both the Elise and Esprit production lines moving, Midland's relative unconcern about Lotus's viability appeared justified. Its

eventual fate in terms of ownership, however, still stands to be settled in Luxembourg and Italy, not the UK.

Last month, Bugatti International was put into administration and given protection from creditors for 12 months.

During that time Mr Artioli needs to find £20m to cover guarantees given by Bugatti International and Grand Marques SA on loans made by Italian banks to Bugatti Automobili. This means he has had to consider selling Lotus.

Group Lotus has a separate holding company in Luxembourg - ACBN Holding - and its share certificates are lodged with Midland, from which Lotus has £5m of secured borrowings. Nevertheless, it remains unclear to what extent it can be isolated from any proceedings against the Bugatti companies.

Mr Artioli claims that not only is the picture brighter than it might appear, but that there may be no need

for him to sell Lotus. He claims there is a buyer ready to take over both the Italian and Luxembourg Bugatti companies and discharge their debts.

"When Italy comes back from holidays in September, you will see the solution to Bugatti. That will be it, finally. I will be free of Bugatti," says Mr Artioli. He insists the supercar company was brought down not by its own flaws, but because of his inability to fund the final stages of development after his Japanese car imports business was ravaged by the soaring yen.

Mr Artioli knows his claim of imminent rescue for Bugatti will be greeted with scepticism. Such claims have been made throughout the period leading up to, and during, the Bugatti receivership, and none has materialised. "You must wait; you will see it happen in September," he insists.

Until that issue is resolved, the black shadows circling over Lotus will remain.

	Turnover			Operating profit		
	1994	1995	change	1994	1995	change
	£m	£m	%	£m	£m	%
Sales and servicing of cars	30.1	26.7	-11.30	2.6	1.2	-53.85
Engineering consultancy	37.4	40.4	+8.02	4.9	5.3	+8.16
Total	67.4	67.1	-0.45	7.5	6.5	-13.33

\* 16 months to December 31 1995  
Source: Company reports and accounts

## Honda revises forecasts following surge in profit

By Michiyo Nakamoto in Tokyo

Strong sales of recreational vehicles and a favourable exchange rate helped Honda more than quadruple pre-tax profits to ¥76.1bn (£704.62m) in the first quarter. Sales rose 30 per cent in the period, from ¥944.5bn to ¥1,230.8bn.

The Japanese car maker also revised its full-year forecasts, with group sales now expected to be ¥4,900bn in the year to March, rather than the ¥4,700bn forecast in May. A net income of ¥160bn, rather than ¥120bn, is now forecast, and compares with ¥70.8bn a year earlier.

Honda's strong perfor-

mance was based largely on a 20 per cent rise in sales of recreational vehicles in Japan in the first seven months of this year. There was particularly strong demand for the Odyssey mini-van, with monthly registrations averaging about 10,000 units to July this year.

The CR-V, a sportier vehicle, has also sold strongly since it was launched in October last year. Average monthly sales have been running at about 10,000 units against an initial target of 3,000 per month.

Honda also expects unit sales in Japan this year to exceed its initial forecast of 730,000, and now believes it can sell 750,000.

In the US, vehicle retail

sales were up 10 per cent, with the increase due mainly to the Accord and the Civic, two of Honda's most important bread-and-butter vehicles. In the seven months to July, Accord sales in the US rose nearly 12 per cent while the Civic was up 7 per cent.

Sales of the Civic, which is also popular in Europe, proved so strong in the US that Honda was forced to reverse a decision to stop exports of the model.

The results were further buoyed by a favourable exchange rate, which contributed ¥25bn towards a ¥42.4bn increase in operating profits. There was also a pre-tax gain of ¥10.4bn on a share exchange.

## KPN stays upbeat after modest first-half advance

By David Brown in Amsterdam

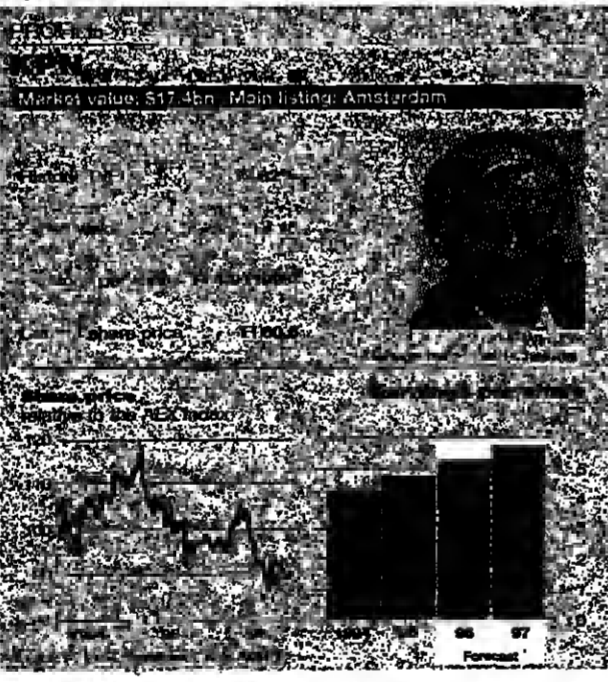
KPN, the privatised Dutch post and telecoms utility, yesterday unveiled first-half net income of F1.2bn (£715m), up from F1.1bn for the same period a year earlier, and said growing competitive pressure on telecommunications tariffs would not prevent further growth in sales or an increase in net income for the full year.

Operating income advanced by 12.7 per cent to F1.218bn, helped by the relatively modest 3.6 per cent increase in total operating expenses to F1.809bn. Total operating revenues increased from an adjusted F1.845bn to F1.10.2bn, with sales volumes up in all sectors.

KPN said high start-up costs of new services introduced by its KPN Kabel cable network, as well as foreign acquisitions made by that unit, combined to increase financial costs and depress overall group earnings growth.

Early this year, KPN Kabel acquired a 90 per cent stake in Coventry Cable and took control of Réseau Câblé de France. The unit lost F1.30m in the first half, while the KPN Multimedia division lost a further F1.5m.

From the start of this year, Dutch VAT has been levied on telecom services. KPN adjusted its figures to reflect this change and said it would have no impact on full-year results.



Adjusted turnover at KPN's telecoms operation rose by 7.8 per cent to F1.69bn owing to increased traffic volume on the national network, with a particularly strong 38.9 per cent increase in mobile phone services.

However, the telecom unit reported "significant" price cuts in a competitive market, especially on the international side of the operation where sales declined 5.2 per cent to F1.1bn.

In spite of the pressure on tariffs, first-half operating profit within telecoms rose by an adjusted 10.7 per cent

to F1.177bn, largely as a result of the moderate increase of 0.9 per cent in operating expenses. There were lower provisions for restructuring in the first half of this year than in 1995.

On the postal side of the organisation, total sales advanced by 8.3 per cent to F1.2bn on higher volumes of domestic and international mail as well as acquisition-based growth in courier services. The operating profit advanced from F1.291m to F1.418m.

The group intends to pay an interim dividend of F11 per share.

## Strong Irish side buoys Grafton

By Mark Asturast

A sharp increase in first-half profits at Grafton Group, the acquisitive builders' merchant traded in Dublin, confirmed the robust health of the Irish Republic's construction industry.

Pre-tax profits for the six months to June 30 jumped 48 per cent to £5.64m (£5.9m) before an exceptional £987,000 gain on property sales. Turnover was 23 per cent higher at £59.2m, helped by a £24.45m contribution from acquisitions.

The shares rose 35p to 66p.

Mr Michael Chadwick, chairman, said the group's Irish Republic businesses had outperformed the market, with higher demand in the DIY and merchandising sectors. Operating profits rose by 68 per cent to

£5.61m. The group's operations include the Woodies DIY chain and Chadwicks builders' merchant.

In the UK, Johnsons, the Oxford-based builders' merchant acquired in January, broke into profit. It helped push UK sales up 32 per cent to £22.7m.

Weaker market conditions in Northern Ireland dented profits at Macaughton Blair, the Belfast-based builders' merchant. UK operating profits fell to £500,000 (£534,000), despite a 32 per cent increase in sales to £22.7m after the acquisition.

Johnsons and Bradleys, the UK heating and plumbing merchants, both opened branches in London after acquiring retailers there. The group plans further acquisitions in the UK building materials market.

## Swedish Match struck by one-offs

By Hugh Carnegie in Stockholm

Swedish Match, one of the most famous names in Swedish industry, yesterday reported a fall in pre-tax profits for the first half of the year, in its first results statement since returning to the Stockholm Stock Exchange. It said, however, there had been an underlying increase in earnings.

The group, spun off in May from former parent Volvo, is still the world's biggest maker of matches, but now derives most of its income from tobacco products and lighters in Europe and the US. It said pre-tax profits had fallen from SKr368m in the first six months of 1995 to SKr222m (£82m) this year. However, the results were

distorted by a one-time gain of SKr325m in the same period last year and a one-time charge in the latest period of SKr123m.

Operating profits before non-recurring items rose to SKr741m, compared with SKr588m last time, in spite of a small fall in sales due chiefly to adverse currency effects, but also to some price falls.

Group sales were SKr3.58bn compared with SKr3.85bn last time, but were stronger in the second quarter. "The tobacco divisions noted strong results during the second quarter of 1996, with increased sales of virtually all product types," said Mr Göran Lunden, chief executive.

The group's shares fell slightly on the news, closing

down SKr0.30 at SKr19.00. The price was below the level of SKr19.50 at which Swedish Match opened when it was listed in Stockholm and on Nasdaq in New York, and was well under the subsequent high of SKr23.60. But it was up on the sub-SKR19 levels that it touched earlier in the week after worries in the US about anti-smoking litigation.

Originally the vehicle by which the Swedish financier Ivar Kreuger built an industrial empire in the 1920s, Swedish Match has undergone multiple changes of ownership and structure since Kreuger shot himself in 1932 in the face of crippling debts.

Its main business today is cigarettes and smokeless tobacco - notably the popu-

## Indep Energy meets forecast

Independent Energy, the UK electricity supplier which came to the AIm in May, yesterday announced a pre-tax loss of £55,200 for the month to June 30.

Losses per share came out at 0.4p. This was in line with projections and was, according to Mr Bart Keweenaw, chairman, because "the company is in the investment or development stage, and will remain so for most of fiscal 1997".

Electricity revenues currently stand at an annualised £3m and the company has opened its first generating station, near Blackpool, Lancashire. The company markets electricity to smaller business customers at a discount of between 15 and 20 per cent to prevailing tariffs.

Swedish Match also owns Pinkerton, the biggest US maker of chewing tobacco.

It warned yesterday that annual earnings could be hit by about SKr40m a year by a change in its rights to sell Prince cigarettes in Sweden. Recently the European Commission forced Swedish Match to give up an arrangement with Skandinavisk Tobakskompani of Denmark for the exclusive licensing rights to the latter's Prince brand in Sweden, one of Swedish Match's chief sources of income.

Swedish Match said a new arrangement had been approved by the Commission under which the Danish company would reassume marketing and sales of Prince in Sweden.

AEGON N.V., registered in The Hague, The Netherlands

INTERIM DIVIDEND 1996

The Executive Board announces its intention to pay an interim dividend for the fiscal year 1996 either entirely in cash or, at the option of the shareholders, entirely in stock to be paid out of the tax-free paid-in surplus or, if so requested, out of the net income of the first half of 1996.

The proposed interim dividend 1996 in cash is MLG 1.18 per common share of MLG 1.00 per value. In view of AEGON N.V.'s strong capital base the interim dividend in cash will be 2% to 5% higher than the value of the interim dividend in shares.

Shareholders are requested to make their election for cash or stock within the period set out in the time schedule below.

The proposal for the cash interim dividend will be submitted for approval to the Supervisory Board when the period of election has been closed. The value of the final proposal for this dividend in shares will be in line with the value indicated - barring unforeseen circumstances - and will be based on the closing share price on 11 September 1996. The new shares will participate partly in the 1996 results and fully in those of subsequent years. On 12 September 1996 the final interim dividend both in cash and in stock will be published.

The time schedule for the interim dividend 1996 is as follows:

22 August through 11 September 1996	Period of election.
11 September 1996	Determination of the dividend.
13 September 1996	Ex-dividend quotation of AEGON shares.
13 through 20 September 1996	Trade in dividend coupons to obtain rounded numbers.
24 September 1996	Payment of dividend.

If any shareholder, whose shares are held in custody with a bank or a broker, does not indicate a preference for cash or stock within the period of election, the bank or broker will automatically elect the stock dividend. Shareholders who prefer to receive cash, are requested to pass on their election through their bank or broker, to the principal paying agent, ABN AMRO Bank N.V.

Holders of shares which are not held in custody, are requested to pass on their election for stock to N.V. Nederlandsche Administratie- en Trustkantoor, Herengracht 420, 1017 BZ Amsterdam, The Netherlands. If no election has been made by them within the above mentioned period, they will receive their dividend in cash.

Banks and brokers are requested to pass on an election for payment in shares to N.V. Nederlandsche Administratie- en Trustkantoor end for payment in cash to the principal paying agent ABN AMRO Bank N.V.

Note: The above dividend payment procedure does not apply to holders of New York shares.

Copies of the half-yearly report are available in the U.K. free of charge to any shareholder, upon request, at UBS Ltd., 100 Liverpool Street, London EC2M 2RH.

The Executive Board

**AEGON**  
Insurance Group

The Hague, 22 August 1996  
50 Merisheovseplein

Offer studies power prices

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Business



COMPANIES AND FINANCE: UK AND IRELAND

# Bass/Carlsberg deal imminent

By Christopher Price

The long-awaited sale of Carlsberg-Tetley, the UK's third biggest brewer, to Bass is expected to be announced today.

Protracted negotiations between the brewer's owners, Allied Domecq and Carlsberg, which were expected to be concluded yesterday, were said to have again been drawn out because of the complex nature of the deal.

Bass will pay about £200m

to Allied for its half-share in the joint venture. Carlsberg, the Danish drinks group, is expected to contribute some £20m together with its share, which will be subsumed into Bass's brewing subsidiary.

It is understood the Danish group will take a minority stake in part of the brewing division.

The talks, which have taken more than a year to complete, have been complicated by the monopoly implications for Bass.

The hotels, drinks and bet-

ting group already has 23 per cent of the UK brewing market and the purchase of Carlsberg-Tetley would add another 15 per cent.

It would also restore Bass as Britain's biggest brewer, a position it lost last year when Scottish & Newcastle took over Courage, giving it a combined market share of about 38 per cent.

The S&N/Courage merger was not referred to the Monopolies and Mergers Commission, although the Department of Trade and

Industry insisted S&N sell 115 pubs and loosen supply ties on another 1,000.

However, Bass is understood to have stipulated a clause in the proposed agreement with Allied and Carlsberg should it not be satisfied with any regulatory conditions.

This would involve Carlsberg buying Allied's share of the joint venture back from Bass for £115m, while Allied would pay Bass some £30m.

Bass would also take 50 per cent of the joint venture's profits during the period prior to any official conditions being imposed.

Carlsberg-Tetley made profits of £52m last year, all of which came from its lucrative supply agreements to Allied's estate.

The agreements are due to run out at the end of 1997. Analysts said if the contracts were renegotiated at current industry prices, profits would be all but wiped out.

# Keptit not impressed by Treg's new bid

By Martin MacConnel

TR European Growth yesterday improved its hostile bid for the £500m Kleenwort European Privatisation Investment Trust, raising the stakes in the battle for control of the fund.

Treg, an investment trust managed by Henderson Touche Renmant, is offering to liquidate Keptit and give shareholders 99.5 per cent of the trust's asset value after sale costs and advisers' fees have been paid.

This cuts Treg's profit on the deal by a third. When it first unveiled the bid in late July, Treg offered to give shareholders 99.25 per cent.

After deducting bid costs and its own fee, Treg hopes to pay shareholders 97 per cent of Keptit's net asset value of about £500m.

Two other financial houses have put forward rival plans for the management of Keptit, although Treg is alone in seeking to wind it up.

Sir Geoffrey Little, chairman of Treg, said: "We challenge the board to say how they can improve on the offer and we urge Keptit shareholders to accept it."

But the Keptit board, which rejected Treg's first proposal on the grounds of cost, remains unimpressed and is recommending shareholders not to accept.

Mr Shane Ross, Keptit chairman, said: "The offer is very confusing. It is being presented as a fixed amount. In fact it is a movable feast based on the value of the trust after paying liquidation costs and advisers' fees - and following a fire sale, to boot."

Kleenwort Bescon Investment Management, which manages Keptit and is fighting to retain control through a proposal to utilise the trust, also dismissed the revised offer.

Mr Ben Siddons, director, said: "I would be surprised if the shareholders were impressed. The fee would be subtracted from the value of the trust after paying advisers - and that is not the same as the fund's net asset value which shareholders are used to thinking about."

"This deal would, effectively, only return about 96 per cent of the net asset value to shareholders."

Treg has also revised its share alternative. Keptit shareholders will now be offered a warrant in addition to every seven Treg shares they receive.

Treg's announcement overshadowed Old Mutual Portfolio Managers' interest in managing Keptit. Mr Tuli Shakerchi, head of equities, said it was proposing to turn the fund into a generalist European investment trust and was offering a "mechanism" to shareholders who want to liquidate their holdings.

Nine companies interested in Keptit have now outlined their proposals. The other known contenders are Morgan Grenfell, Fidelity, Fleming, M&G, Barnings and Guinness Flight.

## NEWS DIGEST

# Irish Air buys 20% of Ryanair

Ryanair, the privately-owned Irish airline, yesterday sold a 20 per cent stake to Irish Air LP, a group of US investors headed by Mr David Bomberman, the Texas entrepreneur.

Ryanair, owned by the family trust of Mr Tony Ryan, former head of the GFA aircraft leasing group, declined to disclose the consideration but the deal is believed to value the stake at £11m and the company at £55m (£57.7m).

Mr Bomberman, chairman of Continental Airlines, the fourth largest airline in the US, and two other Irish Air LP appointees will join the Ryanair board, currently led by Mr Ryan, who became chairman last year, and his three sons.

Ryanair indicated it would next year review an option to float to fund expansion of its fleet, currently comprising 11 Boeing 737s.

Using low cost fares, Ryanair controls 36 per cent of traffic on the Dublin-London route - one of the busiest in Europe. The company does not publish accounts but Mr Ryan said turnover exceeded £100m in 1995.

John Murray Broken

# Buy-out of HSBC Gibbs' arm

HSBC Gibbs Holdings, a wholly owned subsidiary of HSBC Holdings, has sold its Freshman Credit subsidiary to Vendocrow, set up by Premium's management, in a leveraged buy-out.

Short-term debt finance was provided by Electra Fleming. HSBC Gibbs received £40.3m cash and a 19.9 per cent interest in Vendocrow's ordinary equity, unsecured loan notes and redeemable cumulative preference shares.

Premium provides finance for corporate insurance premiums and spread-payment facilities for personal insurance, school fees and annual subscriptions.

# Varity holders agree merger

Shareholders at Varity Corporation voted 89 per cent in favour of the merger with Lucas Industries at a special meeting yesterday. The £3.2bn merger to form LucasVarity will create an automotive component supplier with combined annual sales of about \$7bn (£4.5bn). It will become the world's second-largest brakes manufacturer.

Lucas shareholders approved the merger earlier this month and the deal has received US and EC approval. The merger is expected to become effective on September 6.

# Gilman appeal refused

Mr Peter Gilman, a director of Leeds United Football club, was yesterday refused permission by a High Court judge to appeal against a decision to allow a £16.5m takeover bid for the club by Caspian, the media group, to proceed.

Last month the High Court threw out an action by Mr Gilman, one of the three original directors of the Premiership club, who claimed the deal should be blocked because it breached a prior agreement he had struck with the other two directors.

A spokesman for Mr Gilman said that he would take no further legal action against the Caspian deal. Geoff Dyer

# Lawrence advances to £1.82m

Shares in Lawrence jumped 35p yesterday to 285p after the speciality chemicals and animal care company more than doubled annual pre-tax profits.

On sales of £13.6m (£8.47m) profits for the year to March 31 were £1.82m (£1.61m), with exports exceeding 43 per cent of turnover. The company, which moved from Rule 4.2 to AIM in September, said it had concentrated on organic growth. Net borrowings at March 31 were £441,629 (£1.74m) and net assets £8.88m (£8.03m).

Mr Lawrence said all subsidiaries were currently trading at "record levels".

# Tex pay-out after recovery

Tex Holdings, the engineering and plastics group, rebounded from a dull first half to lift full-year pre-tax profits from £111,000 to £323,000 on static sales of £22.7m.

The recovery in the 12 months to March 31 was achieved despite charging goodwill of £300,000 on the closure of its housebuilding operation. It prompted the board to return to the dividend list with a 2p final - the company's first distribution since 1990.

Mr Anthony Burrows, chairman, said current order books were ahead of expectations.

The shares rose 5p to a year high of 76p.

# Mallett shows 32% expansion

Increased spending on marketing helped Mallett, the antique furniture, glass and art works group, lift pre-tax profits 32 per cent to £773,000 in the first half of 1996.

Mr Rex Cooper, chairman, said both the Bond Street and Bourdon House shops had improved profits. Although stock levels and net cash inflow fell in the period, the top end of the fine art and antiques market had begun to show a more favourable outlook, Mr Cooper said.

# Tullow Oil testing in Pakistan

Tullow Oil yesterday announced a testing programme in Pakistan following the detection of gas during drilling.

The statement was prompted by recent stock market activity. The shares yesterday rose 6p to 106p.

The results of the tests are expected within two weeks.

# BA Asia Pacific appointment

Mr John Wood is to succeed Ms Val Gooding as director Asia Pacific at British Airways. Ms Gooding is leaving the company at the end of August. Mr Wood, 47, has been general manager/vice president for Canada for two and a half years. He will take up his new post on October 1.

## In Brief

- **FIRST INFORMATION GROUP:** Mr Richard Charkin has resigned non-executive directorship due to potential conflict of interest over Internet development.
- **MIDDLESEX HOLDINGS:** Has acquired DRI (10M) for a maximum £2.2m. DRI has a distribution agreement for the sale of direct reduced iron or metallised iron ore pellets produced by Oskol Electrometallurgical Kombinat of Russia. Consideration will be met by the issue of up to 40m shares, half immediately and the remainder profit-related.
- **QS HOLDINGS:** Has agreed with Scottish Equitable the sale and leaseback of its store at North End, Croydon, for £2.6m. It will use the proceeds for developing its stores and business. The property's book value is £2.37m.
- **ST JAMES'S PLACE CAPITAL:** Is replaced in the FT-SE Mid 250 Index by British Polythene Industries, following the Scheme of Arrangement becoming effective.
- **UNIVERSAL SALVAGE:** Chairman, Mr Cliff Bassett, has sold 1m shares at 267p, reducing his stake to 29.2 per cent.

# Monument rides teething problems

By Robert Corzine

Monument Oil & Gas, the independent explorer, reported a rise in first half pre-tax profits from £5.3m to £6.8m in spite of teething problems at its Liverpool Bay offshore development.

A 70 per cent rise in production to 12,100 barrels of oil equivalent a day led to a sharp rise in turnover to £19.2m (£12.7m). Gross profits for the six months to June 30 rose 50 per cent to £8.28m.

Earlier this week Monument completed a complex corporate reconstruction in which it returned £30m to shareholders out of a possible £50m offer. Mr Tony Craven Walker, chief executive, said about 85 per cent of shareholders decided not to take any cash, but opted to increase their shareholdings instead.

Four investment institutions used the reconstruction to exit from the company.

But Mr Craven Walker said the overall result of the restructuring was positive, and Monument could now focus on "reinvestment opportunities which will have the potential to add materially to shareholder value".

The capital return will reduce Monument's cash balance to £25m, but the company has already funded an ambitious exploration and development strategy.

Monument said it was optimistic that the technical problems that have dogged the commissioning of the Liverpool Bay project were close to being resolved.

Earnings per share were 0.89p (0.51p). There is no dividend.

## COMMENT

Monument's first half results were about 40 per cent of what could have been expected had Liverpool Bay come on stream smoothly. The remaining problems do not appear insurmountable, so profits should rise sharply by the end of the year as production moves up. Shareholders should also not worry too much about the departure this week of four institutional investors. Monument's shares, which yesterday closed down 1 1/2p at 59p, may not be particularly cheap with a 12 per cent or so premium to net asset value. But the week's vote of confidence in the company's new exploration portfolio and management team appears justified.



Charting progress: Tony Craven Walker will focus on reinvestment opportunities

## BUSINESSES FOR SALE

**ETBA FINANCE**  
FINANCIAL AND ECONOMIC SERVICES S.A.  
(formerly GREEK EXPORTS S.A.)

**ANNOUNCEMENT OF A PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR THE SALE OF THE ASSETS OF "PIRAIKI-PATRAIKI READY-MADE CLOTHES INDUSTRY OF VOLOS S.A." PRESENTLY UNDER SPECIAL LIQUIDATION**

ETBA FINANCE Financial and Economic Services S.A., established in Athens at 1 Eranthoussou & Vex, Constantinos Street, in its capacity as special liquidator of the above company, presently under special liquidation as per article 464 of Law 1892/1990, and in accordance with Decision No. 4996/1996 of the Athens Court of Appeal

**ANNOUNCES**

a international public auction for the highest bidder with sealed, binding offers for the sale of the real assets of "PIRAIKI-PATRAIKI READY-MADE CLOTHES INDUSTRY OF VOLOS S.A."

**ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY**

The company under liquidation owns a cutting and sewing factory for ready-made clothes in Volos on Mikropolitou Gergonou and Antigonou Zoihou Streets in the Palaia district on a 10,367.61 m<sup>2</sup> plot of land. The factory building covers an area of 3,027.06 m<sup>2</sup> (ground floor) and a first floor 2,495.52 m<sup>2</sup> in area. The total volume of both floors is 44,996.76 cubic metres. The building has a concrete frame with brick walls, glass windows and metal roofs. The company's assets include the factory's mechanical and auxiliary equipment, furniture and utensils, trade marks as well as a building plot at Ombika in the Volos region 9,296.61 m<sup>2</sup> in area.

**TERMS OF THE ANNOUNCEMENT**

- The present Auction shall be carried out in accordance with the provisions of article 464 of Law 1892/1990 as complemented by article 13 of Law 2000/1991 as in force today, the terms contained in the present Announcement and the terms contained in the relative Offering Memorandum regarding the whether or not they are repeated in the present Announcement. The submission of a binding offer implies acceptance of all these terms.
- Each interested party is invited to receive from the liquidator the detailed Offering Memorandum and ask for any other information concerning the company under liquidation following a written promise of confidentiality.
- Interested parties are invited to submit a sealed, written and binding offer to the notary public of Volos, Attica, assigned to the auction, Mrs Theodoros Sykianos Papapanagos, at 48 Chrysomatos Smyrnis Street, Tel. (010) 765.0738 & 766.1910 up to 12.00 noon on Thursday, 12 September 1996. Offers must be submitted in person or to a legally authorised representative. Offers submitted beyond the specified time limit will not be accepted. Offers must not contain terms upon which their intelligibility may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other essential matter concerning the sale.
- On penalty of invalidity, offers must be accompanied by a letter of guarantee from a first class bank legally operating in Greece, valid until submission of the bid and up to the signature of the sale contract for the highest bidder to the amount of seventy million (70,000,000) drachmas.
- The offers will be opened by the above-mentioned notary in his office at 14.00 hours on Thursday, 12 September 1996 and all persons having submitted offers within the specified time limit are invited to attend.
- Offers must clearly specify the offered amount and manner and time of payment. Part credit is acceptable on condition that at least 20% of the total offered price in cash is submitted at the time of the offer and the balance is settled in equal annual or six-monthly instalments, the first of which to be paid within one year from the date of signature of the relative sale contract, with interest at a steady annual rate, correspondingly compounded.
- The factory can be put to any productive use by the buyer. However, if the buyer wishes to put it to any use other than the manufacture of ready-made clothes, then it is up to the buyer to obtain the necessary permits and at his own expense.
- The submission of an offer of participation to the Auction binds the buyers to the commitment of keeping the productive installations of the company in liquidation in operation for at least five (5) years.
- On all the points contained in the offers and on any other terms that may be agreed upon (job positions, amount of investments, length of time of operation, etc.) the buyer must accept clauses and other security, additionally covered by real collateral, to guarantee compliance with his commitments. Specifically on the subject of job positions there will be a penalty clause to the amount of 223,000 drachmas per month per worker for the entire period the company is obliged to operate. Penalty clauses for job positions will be covered by the provision of real collateral.
- Essential guidelines for the evaluation of the offers are:
  - the size of the amount offered
  - the number of job positions created
  - the security provided for the settlement of any balance of the offered price on credit, and for the execution of any remaining terms under commitment
  - the creditworthiness and business reputation of the interested parties
  - the business plan and in particular the size of future investments
- In the event that payment of a portion of the price is to be on credit, the interest rate to be calculated will be that of Greek State bonds of one year's duration, on the date of submission of the offer.
- The highest bidder is the one whose offer has been judged by the creditors, the INDUSTRIAL RECONSTRUCTION ORGANISATION S.A., following the liquidator's proposal, as being the most satisfactory to the creditors of the company under liquidation.
- The elements that constitute the company's Assets shall be transferred "as is and where is" and, more specifically, in their actual and legal condition and wherever they are on the date of signature of the sale contract. The liquidator, the company under liquidation and the creditor are not liable for any legal or actual faults, lack of any qualities or any incomplete or inaccurate description of the assets for sale in the Offering Memorandum. Interested parties must, on their own responsibility and that of their own agents and at their own expense, inspect and form their own opinion of the objects for sale. The submission of an offer implies that interested parties are fully aware of the actual and legal conditions of the objects for sale.
- In the event that the party to whom the assets for sale have been adjudicated fails to his obligations to appear and sign the relative contract at the time and place indicated in the relative invitation of the liquidator, in accordance with the terms arising from the present announcement and from his offer, as finally formulated, then the amount of the guarantee stated above is forfeited to the liquidator to cover expenses of all kinds, time spent and any real or paper fees suffered by himself and by the creditor, with no obligation on their part to provide evidence to such loss or consider that the amount has been forfeited as a penalty clause, and collect it from the guarantee bank.
- The liquidator bears no responsibility or obligation towards participants in the auction, both with regard to the drafting of the evaluation report on the bids or to the liquidator's proposal regarding the highest bidder. Also he is not responsible and not to be held under any obligation to participants in the auction in the event of a cancellation or invalidation of the auction if its result is deemed unsatisfactory.
- Those participating in the auction and who have submitted offers do not acquire any commitment, claim or demand, on the strength of the present announcement or their participation in the auction, against the liquidator or the creditors for any cause or reason.
- The buyer of the company under liquidation will not be entitled to use the words "PIRAIKI-PATRAIKI" as a name, trademark or in any other way.
- In accordance with para. 13 of article 464 of Law 1892/1990 the sale contract, the transactions and any other acts involved in its execution, are exempted from State or third party taxes, dues or stamp duty while the rights and fees of notaries, lawyers, supervisors and registrars of mortgages are limited to 30% of the figure in question. Transfer expenses of the assets for sale (VAT, fees, rights and other expenses) shall be borne by the buyers.

The present announcement has been drafted in Greek and to English in translation. In any event, however, the Greek text will prevail.

For any further information and for the Confidential Offering Memorandum, interested parties may apply to the office of the liquidating company:

ETBA FINANCE Financial and Economic Services S.A., 1 Eranthoussou Street, 4th floor, Athens, Greece.  
tel. +30-1-726.0210, 726.0278, 726.0286 and fax +30-1-726.0664.

# Trafficmaster seeks £16.1m

By Justin Marozzi

Trafficmaster, the live traffic information provider, is raising £16.1m in a rights issue to expand its traffic congestion detection network and for product development.

This is the second time in eight months the group has sought funds from the market. In December, it announced a placing to raise £2.9m net.

It is proposing a 1-for-4 issue of 5.6m shares at 290p. The shares yesterday slipped 33p to 324p, valuing the group at £74.5m.

Mr Peter Whiting, analyst at Williams & Broe, said the fall was "slightly high because the company has flagged fairly clearly that growth in the second quarter of this year has not been particularly dramatic".

Mr David Martell, chief executive, said there had been good support from institutions. "People can see the logic in the timing. The payback in terms of market share is going to come very quickly."

Trafficmaster, which has no net debt, will invest about £10m of the proceeds over the next two years to expand UK coverage from 2,500 miles to 8,000 miles. The group will spend £4m to develop new products.

Mr Martell said it was negotiating with a number of European manufacturers and hoped to announce several orders over the next few months. The group announced a deal with Vauxhall Motors this month to supply its Oracle driver information units.

Trafficmaster floated in 1994 at 130p and its share price had trebled in the past 12 months.

Last year the group lost £2.47m on sales of £25.5m. Mr Whiting said: "Profitability in 1996 and 1997 is not the essence of investment in Trafficmaster."

Directors, who have a combined 12 per cent stake, are participating in the issue, which is fully underwritten by SBC Warburg.

# Baldwin sees full-year sales shortfall

By Justin Marozzi

The seasonal nature of its touring division again left Baldwin, the leisure group, showing a first-half pre-tax deficit.

The division had little turnover and made no contribution because the majority of its holidaymakers departed after the period end. In the second half, when this revenue kicks in, the group would "leap into the black".

Group losses were £3.11m (£3.22m) for the six months to April 30. The shares slipped 6p to 103p.

Group turnover edged up from £10.8m to £11.5m, but Mr David Landau, chairman, said a downturn in the short haul holiday market would mean the division's full-year sales would be about 16 per cent down on the 1995 figure.

Cash balances at August 21 stood at £2.2m (£8.45). Mr Landau said this was "lower than in the past because the group was expanding on the restaurant side". It was spending £5m on a new site in London's West End.

Gearing was 95 per cent but should fall to 15 per cent by the year end. The interim dividend is cut to 1.5p (2p). Losses per share were 11.5p (11.3p).

# Lazard Smaller to appoint Invesco

By Roger Taylor

Lazard Smaller Equities Investment Trust has agreed in principle to appoint Invesco as manager of the trust in place of Lazard Brothers Asset Management.

The decision is an embarrassing climbdown by the board in the face of shareholder pressure.

The board was reluctant to change managers when asked to do so by shareholders disappointed with low returns. Earlier this month, however, Invesco delivered requisitions from shareholders holding more than 45 per cent of the trust's shares, calling for an extraordinary meeting to vote on a resolution appointing Invesco as managers.

Lazard Smaller had until next Monday to convene the

meeting. It has decided instead to accept the shareholders' demands and appoint Invesco.

Invesco said it was delighted with the decision. It intends to adjust the trust's portfolio from its current split of about 60 per cent in smaller company debt and 40 per cent in equity to a 50-50 split between debt and equity.

Lazard Brothers said it believed it had done a good job managing the fund and argued that Invesco's planned changes were very much in line with its own plans.

The directors of Lazard Smaller said they would be writing to shareholders soon to convene an extraordinary meeting to change the name of the trust to Invesco Enterprise Trust.

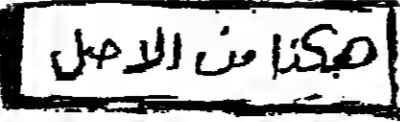
## RESULTS

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividend/earnings ratio	Total for year	Total for year
Baldwin	6 mths to Apr 30	11.5 (10.8)	3.11 (3.22)	11.2 (11.3)	1.5	Oct 31	2	4.5
Grattan	6 mths to June 30	80.2 (73.8)	6.69 (6.82)	33.6	6.5	Oct 25	5	12.5
Ind Energy	1 mth to June 30	0.067 (-)	0.055 (-)	0.41 (-)	-	-	-	-
Lawrence	6 mths to Mar 31	13.6 (6.47)	1.82 (1.61)	20.26 (10.06)	5.56	Nov 6	4.84	7.06
LRMS	6 mths to July 31	5.25 (4.78)	4.2 (3.52)	17.1 (2.5)	1.1	Oct 16	1.1	4.8
Mallett	6 mths to June 30	5.2 (4.59)	0.77 (0.58)	0.58 (0.51)	1.1	Oct 16	1.1	3.4
Monument Oil	6 mths to June 30	19.2 (12.7)	0.87 (0.57)	0.58 (0.51)	2	Oct 25	2	2
Tex	1 yr to Mar 31	22.7 (22.8)	0.32 (0.11)	2.3 (1)	2	Oct 25	2	2

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. \*After exceptional charge. \*After exceptional credit. \*British currency. \*Qm

سكوتيا من الاموال





COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS Chinese hold key to copper

The possibility that China might soon release some of its copper stockpile to the world market cast a shadow over the London Metal Exchange this week. But copper's three months delivery price bounced yesterday afternoon to close at \$1,946.50 a tonne, up \$12 on the day and \$10 on the week.

half of 1997 of \$1,750 a tonne and \$1,650 in the second half. On the other hand, if it stays in China, the price could average between \$1,675 and \$1,825 a tonne next year.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Open, Close. Includes Aluminum, Lead, Zinc, Copper, Nickel, Tin, and various grades.

Precious Metals continued

Table with columns: Metal, Price, Change, High, Low, Open, Close. Includes Gold, Silver, Platinum, Palladium, and various grades.

GRAINS AND OIL SEEDS

Table with columns: Commodity, Price, Change, High, Low, Open, Close. Includes Wheat, Maize, Soybeans, Barley, and various grades.

SOFTS

Table with columns: Commodity, Price, Change, High, Low, Open, Close. Includes Cocoa, Coffee, and various grades.

MEAT AND LIVESTOCK

Table with columns: Commodity, Price, Change, High, Low, Open, Close. Includes Live Cattle, Pork Bellies, and various grades.

ably in the ownership of the Chinese Strategic Reserve, having been moved from LME warehouses in the past two months.

Yesterday's LME warehouse stocks report was closely examined in the market to ascertain whether any of the metal had yet shown up in the Singapore warehouse.

Most other LME metals eased back with copper but nickel reversed last week's setback to reach a high of \$7,450 a tonne at one stage.

At the London Commodity Exchange robusta coffee futures built modestly on last week's gains before running into producer selling yesterday.

Despite light trading prices for black pepper surged this week, reports from Mesta Production in Vietnam are strongly influenced by the strong Indonesian market.

Wheat prices were supported by expectations of large increases in demand also fuelled by the rise in levels for Lampung flood risk.

Oil prices were supported by expectations of large increases in demand also fuelled by the rise in levels for Lampung flood risk.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, Zinc, Tin, etc.

PRECIOUS METALS

Table showing prices for various precious metals like Gold, Silver, Platinum, Palladium.

LONDON BULLION MARKET

Table showing London Bullion Market prices for Gold, Silver, and various grades.

ENERGY

Table showing energy prices like Crude Oil, Heating Oil, and various grades.

INDICES

Table showing various market indices like FT-100, Nikkei, DAX, etc.

US TREASURY BOND FUTURES

Table showing US Treasury Bond Futures prices for various maturities.

WORLD BOND PRICES

Table showing world bond prices for various countries and maturities.

MARKET REPORT

By Susanna Voyte and Samer Iskander. The US bond market fell sharply yesterday after the release of figures showing that orders for durable goods rose more than had been expected last month.

US INTEREST RATES

Table showing US interest rates for various maturities like Treasury Bills, Notes, Bonds.

BOND FUTURES AND OPTIONS

Table showing bond futures and options prices for various maturities.

FT-100 INDEX

Table showing FT-100 index prices and changes.

FT ACTUARIES FIXED INTEREST INDICES

Table showing FT Actuaries Fixed Interest Indices for various maturities.

FT FIXED INTEREST INDICES

Table showing FT Fixed Interest Indices for various maturities.

UK GILTS PRICES

Table showing UK Gilts prices for various maturities.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bond prices for various countries and maturities.

ITALY

Table showing Italian government bond prices and futures.

GERMANY

Table showing German government bond prices and futures.

SPAIN

Table showing Spanish government bond prices and futures.

OTHER FIXED INTEREST

Table showing other fixed interest rates for various instruments.

MARGINED CURRENCY DEALING

Table showing margined currency dealing rates for various currencies.

UK

Table showing UK government bond prices and futures.



COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL. Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Saturday August 24 1996

More money than votes

A depression centred over the British Isles will move slowly towards Germany, leaving bright and sunny weather and greatly improved support for the Conservative party.

This is the forecast which Tory MPs would like to believe as they set off for the bank holiday amid portents as mixed for the weather as for the UK economy. Since they can do nothing about the former, they can only invoke Dr Feelgood, who helped them to such a potent recovery in 1987 - the last election in which the economy played a decisive role.

This week Tory optimists could well believe that a similar prescription may be starting to revive their popularity a decade later. Yesterday UK equities continued their rally, pushing the FT-SE 100 index above 3,900, more than 5 per cent above its level at the start of the year.

This is hardly enough to induce the massed voters to unfurl blue flags and beseech the government to stay for another term. However, there has also been robust evidence this week that the housing market is reviving. New lending by building societies is at its highest for six years and prices are 5 per cent higher on average than a year ago.

However, few people believe that a house price recovery can be anything like as strong a medicine as it was in 1987. And despite a general rise in prices, the wounds inflicted by the collapse of the market in 1990 are by no means completely healed. There are still nearly a million householders whose mortgage debts are greater than the value of their properties. This negative equity is around a third of the peak value of £10.8bn reached in 1993.

As the polls show, that group of people does not feel at all good about the way the government managed the economy. The conservatives' popularity is still well below its nadir in 1995, just before the center in to the 1997 election. However, according to Mori, the gap is narrowing.

Economic optimism

The parallels are instructive. Between the beginning of 1996 and the election, conservative popularity recovered from about 34 per cent, as measured by voting intentions, to nearly 50 per cent at the time of the vote. This ran parallel with a sharp improvement in economic optimism as measured by polls, an

acceleration of house price inflation from an annual 10 per cent to 15 per cent, and a precipitous rise in equity prices which reached a peak in 1997 some 50 per cent higher than two years earlier.

If the broad pattern of history is now repeating itself, the variations are, unfortunately for the Tories, more important than the underlying similarities. Their position in the polls has recovered from 20 per cent to only 30 per cent. Economic optimism, although better than in the 1987 cycle, is still negative. That means that people are not yet feeling good - merely less bad. And the recovery of housing, employment and the economy is likely to be relatively gentle, unless Mr Kenneth Clarke, the chancellor, abandons all caution in his budget this autumn.

Puzzle remains

Despite this, a puzzle remains as to why the Feelgood prescription is not working better. People may not feel that they are on a train rushing towards personal wealth, but they are carrying a lot of assets in the van. It is true that the aggregate value of their houses has fallen by a quarter since 1988 to about £1,000bn. But in the same period, their financial assets have risen by half (in today's prices) to about £2,000bn. And because people have been cautious about incurring debts during the lean years, their net financial wealth has increased even more dramatically, by 70 per cent in real terms to nearly £1,500bn. So what has been lost on houses has more than been compensated for by big gains in other assets.

These increases look even better if one considers that the 1990s housing boom was mostly a temporary bubble. The total value of UK housing in 1997 was almost exactly the same as it is today in real terms.

So why are Tory voters not in a holiday mood? One answer is that 72 per cent of net financial wealth is owned by only 25 per cent of the voters. This minority, which has not broadened during the Tory years, will account for most of the increase in cash and securities.

For the rest, the increased wealth accrues opaquely via pension and life assurance and funds. For most individuals expecting standard pensions or other benefits, the big swings in assets may seem as remote as the weather and, alas for the Tories, nothing to do with government.

A city rises from the rubble

Chrystia Freeland in Grozny compares the misery of Russia's young conscripts with the defiant mood of the Chechen people

Yesterday in the shattered streets of Grozny the hammers were louder than the guns. Their steadily pounding song of reconstruction was a tribute to the Chechen people's remarkable victory in the lethal game of brinkmanship they have been playing with Russia this week.

For the Chechens, this week's standoff is likely to be remembered as one of the more brilliant episodes in their centuries-long David and Goliath struggle with Moscow. Earlier this month, Chechen separatists recaptured Grozny, their republic's devastated capital, in an almost effortless infiltration which humiliated a Russian military that spent tens of thousands of lives to seize the city last year.

On Monday Russia tried to turn the tables, ordering the fighters to leave and threatening to launch another costly all-out attack if they did not. But the Chechens stayed, and, at the last minute Russia lost its political nerve, leaving the city yesterday almost completely under the control of the separatists who welcomed back a happy trickle of returning refugees.

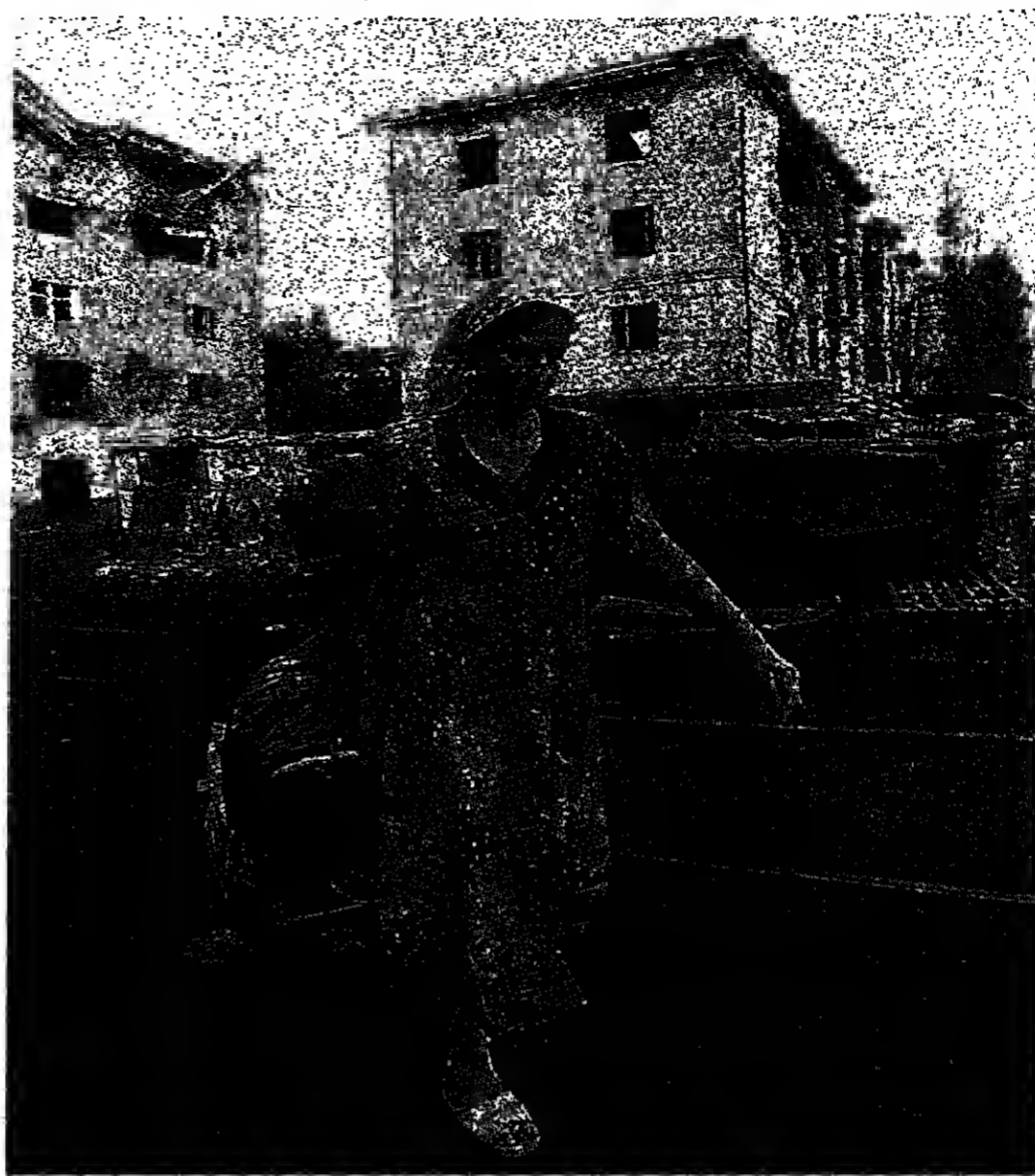
It is an outcome which the Chechen separatists said they were expecting. "Russia would never have stormed the city. They have not forgotten December 1994. They suffered severe blows then and this time our boys are a lot more experienced about war," says Mr Vakha Arsanov, the powerfully built, black-bearded, field commander of one of the four Chechen armies which now occupy the city.

This week's embarrassing episode for Russia was just the latest in a string of humiliating setbacks which Moscow has suffered since December 11 1994, the day when Mr Boris Yeltsin, Russian president, made what is probably the biggest mistake in his political career and ordered Russian troops into Chechnya. Since that fateful decree was signed Chechnya has become the mirror which reveals the ugliest face of the new Russia.

Look at Russia's recovering economy, its surprisingly free and fair presidential elections this year and its freedom of press and of speech - and the menacing Soviet giant appears to have undergone a miraculous metamorphosis into a democratic and dynamic new state.

But one glance at Chechnya shows an older Russia, one whose visage is still disfigured by the vices that characterised both its tsarist and communist epochs. In Chechnya, the Kremlin has shown that it still has the capacity to be both incompetent and cruel.

That is certainly the verdict of the Chechen fighters, whose triumph this week is made more bitter for Russia by the complete disdain with which the outnumbered, outfunded and outgun-



Spirit of Chechnya: a woman makes her way through Grozny, the shattered capital

ned separatists viewed their adversaries.

In the opinion of Mr Akhmed Suleimanov, a 38-year-old Chechen fighter sitting in one of the separatist command posts in Grozny, "For centuries, as long as we have known them, Russians have been unable to live for a single day without blood... Take the history of Russia, from Peter the Great, to Brezhnev. This is a fact."

Notwithstanding this blood-soaked version of Russian history, Mr Suleimanov, who left Ukraine to come home and fight for independence is dismissive of the military talents of the ordinary Russian soldier.

"They drug themselves and drink vodka, then go ahead like fools. But a Russian will never go and fight sober; he is not brave enough," Mr Suleimanov declares, as his comrades, dressed in bits and pieces of camouflage gear and lovingly clutching AK-47s, nod in agreement.

There is a world of difference between these haphazardly

dressed and armed Chechens, who range in age from 16 to 60, and the soldiers of one of the world's greatest military powers.

And despite their apparently overwhelming disadvantages, it is the Chechens who come out best in the comparison.

"The Chechens have morale and spirit. We know what we are fighting for and what we are dying for," Mr Arsanov, the Chechen officer, says, as he listens for the frequent chirps of his two Motorola radios. "The Russians just want to go home to mother or to their beloved girl. They don't need this war. The only thing they have is weapons."

At a lonely crossroads on the western border of Chechnya, a homesick band of young Russian recruits is only too ready to agree with their Chechen antagonist.

"Even if we win the war but come home in a coffin, our mothers won't understand," says Mr Oleg Kirginsky, a 20-year-old recruit from the Siberian city of Omsk. He has spent the past eight months - two more than

the legal maximum term for enlisted men - doing a tour of duty through some of the hottest spots of the Chechen war.

Standing near his unit's armoured personnel carrier, sheltering from the rain under a makeshift rusty corrugated tin roof, Mr Kirginsky says that, if it were up to him, he would be willing to surrender his army's dearly won victories and pull out of Chechnya without a second thought. "We would not have the time even to say to them 'be independent'. We would be on our way home in a couple of seconds," he says.

In contrast with the Chechen fighters, who frequently return to their homes to recuperate from the strains of war, Mr Kirginsky and his comrades live uncomfortably and exhaustively in a nearby tent. They have not had a day off since they arrived in Chechnya. They are so starved both of food and of news of the outside world that they are reduced to begging for bread and newspapers from the cars

which pass their checkpoint. Almost every Chechen is passionately eager to pour out stories both real and mythologised about deaths, maimings, robberies and rapes at the hands of rampaging Russian soldiers. In even the most obscure villages, reporters are sometimes besieged by elderly ladies offering videotapes of Russian atrocities.

Grozny's ruined landscape is proof enough that, despite the inevitable exaggeration, these stories are grounded in a reality almost too terrible to describe. But even so, it is hard not to conclude that in most parts of this scarred republic, the self-confident masters are the Chechens and the worried interlopers are the young Russian recruits, anxious to return to their mothers.

At most Russian military checkpoints Chechen passers-by treat the Russian soldiers with a patronising sympathy which often batters into open contempt. According to Mr Kirginsky, "Those who understand us, treat us normally... Sometimes, though, the old woman will say 'Why are you here, young men? Throw down your weapons.' And we say, 'We are not to blame, we were sent here.'"

From the trenches, the verdict of these boys is that Russia has no alternative but to pull out its forces as quickly as it can. That is a view which was once shared by Mr Alexander Lebed, the Russian security chief who was given a mandate to resolve the war. His first bold step was to stop the planned storming of Grozny this week. He is hoping to follow it up with a longer-term peace agreement, which would include the withdrawal of the Russian army, to be negotiated over the weekend.

These actions and promises have made Mr Lebed a hero to both Chechen fighters and Russian soldiers. But they have also earned him a public rebuke from Mr Yeltsin, and even many of Mr Lebed's admirers fear he is more likely to be sacked than promoted for his peace efforts.

Like all the Chechen fighters, Mr Arsanov says that he is praying to Allah that Mr Lebed's attempt succeeds. But all the same, the field commander, who is part of the Chechen military council which must approve all deals to which the separatist forces agree, says he doubts the ceasefire will hold.

"We are probably going to have to beat them some more," Mr Arsanov says with a sad sigh. "They have a slave's mentality. The only thing they understand is the rod." It seems that only the ailing Mr Yeltsin, who hopes to go down in history as the founder of a modern, democratic Russia, can prove that Mr Arsanov's bleaker view is wrong.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5339, e-mail: letters.editor@ft.com. Published letters are also available on the FT web site, http://www.ft.com. Translation may be available for letters written in the main international languages.

ID card is alien to British way of life

From Mr Gilmore W. Parvin. Sir, I am sorry that Mr Michael Howard, the home secretary, has not proposed compulsory identity cards, therefore denying me the pleasure of burning the card or defacing it and sending it back to Mr Howard.

As a Conservative I find this intrusion into the British way of life totally alien and I fully agree with the sentiments of your columnist Philip Stephens

("Dealt a bad hand", August 23) that the suggested voluntary introduction would inevitably lead (in slippery slope fashion) to a surveillance society.

The craven attitude of the "no policy in case we upset anyone before the election Labour party" is characteristically pathetic.

The invented debate on national emblems must not obscure the real civil liberties issues in this case.

Whether the flags of the United Nations, Europe, the UK, Scotland, Wales, Northern Ireland, or your favourite football club adorn this absurdity is quite irrelevant. What is important is that MPs inflict another defeat on our accident-prone home secretary.

Gilmore W. Parvin, 26 Cranwood Avenue, Edinburgh EH4 6NE, UK

Flagging virtues of nationalism

From Mr Claus K. Hallier. Sir, The search for a benign form of nationalism as discussed in Edward Mortimer's article "A mild patriotism", (August 7) should be encouraged. We should not wait for the "experts" to come up with the right formula.

Anything which arouses over-the-top patriotic feelings on the international stage should be avoided, and this especially applies to sporting events such as the Olympics.

It is acceptable for teams to carry their national flag and parade in uniforms - after all, they may have been selected, supported and financed by their national committees and it's all part of the fun. But there it should stop.

Winners are victorious on their own. Raising the flag and playing the national anthem for them should be abandoned.

What would a Chechen think if he or she were to win a medal and had to listen to the Russian anthem? Playing national anthems at soccer and boxing events should be avoided.

Poetic justice?

From Mr Anthony Rowley. Sir, Justin Cartwright's mean little essay on John Betjeman ("Wasps in the sandwiches", Weekend FT, August 17) is too foolish to take serious issue with.

But where was the editorial restraint to prevent vulgar and vindictive excesses such as Cartwright's description of our former poet laureate as a "cunning little weasel"?

Betjeman can no longer defend himself against the slings and arrows of a man whose "golf balls and tennis shoes" speak eloquently of a puerile desire to shock.

Dole's politics over principle

From Mr Gregory G. Garramone. Sir, A few items are worth noting in the aftermath of the Republican convention.

Mr Dole embraced supply-side economics, a theory he has previously discounted. Mr Jack Kemp, the candidate for vice-president, discounted affirmative action, a programme he has previously embraced.

Both candidates discounted the party platform, embraced by the delegates and the powers that be, many of whom will be rewarded with positions

in a Dole administration. It will be difficult for a man who pledged to balance the budget to be taken credibly when he suggests policy that will produce the opposite. And it will be impossible for a ticket which has so transparently sacrificed principle for politics to make character and consistency an issue in this election.

Gregory G. Garramone, 893 Lincoln Avenue, St Paul, Minnesota 55105, US

Mathematics made easy

From Mr Rhys Owen. Sir, As an ex-maths teacher I should like to endorse the article "Formula to produce a supply of scientists", (August 20).

My experience of secondary school mathematics teaching (which, I admit, finished six years ago) is that the subject has been made easier to prevent children from falling. This has meant that the more able children are no longer stretched and achievement in succeeding has been taken away. The introduction of an incorruptible mathematical gold standard would be welcome.

Rhys Owen, 17 Aston Road, London SW20 2BG, UK

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Man in the News - David Rowland

For whom the bell tolls

Ralph Atkins finds the Lloyd's chairman hoping for a happy ending

The chairman of any business that had lost \$8bn, had ruined families worldwide, and who was awaiting a US court ruling that threatened at the last moment to wreck his attempts to sort out the mess, might be a little restless.

Mr David Rowland, chairman of Lloyd's of London, admitted to being "fairly strung up" this week. After all, the insurance market's ambitious recovery plan has been in the final, tense stages of implementation.

A deadline of noon next Wednesday has been set for the 34,000 Names (the individuals whose assets have traditionally supported Lloyd's) to accept or reject a \$2.2bn out-of-court settlement offer.

However, Mr Rowland, 68, was not sweating unduly. The trick, he says, is to

"think in compartments". "I do have abilities to stop myself and start thinking about something else, to switch off. I play golf in bed at night if I can't sleep. I go around favourite golf courses. I play extremely well at night. No, I do play the odd bad shot."

Colleagues say his ability to survive is remarkable. "He goes home, has a shower and it's over for the day," says one. "It's a fantastic facility." Mr Robert Hiscox, former deputy chairman, says Mr Rowland "has been steady as a rock throughout".

He has become accustomed to the Lloyd's roller-coaster. Mr Rowland became chairman at the start of 1993, having headed a "bank force" which a year earlier made first proposals for reforming some of Lloyd's more antediluvian practices.

On his election, he remembers "absolute fury on the part of large chunks of the membership". Names were bearing the cost of negligent and incompetent underwriting

which had compounded the impact of a succession of natural catastrophes in the late 1980s and early 1990s, plus an unexpected explosion in US pollution and asbestos claims.

Under his leadership, a team also comprising Mr Hiscox, Mr Peter Middleton, chief executive, Mr Stephen Merritt, another deputy chairman, and Mr Charles Roxburgh, seconded from McKinsey, the management consultancy, began drawing up a business plan.

An essential element was a junio reinsurance company, New Co (now called Equitas), to "reinsure" outstanding US asbestos and

pollution liabilities. Pooling liabilities would create economies of scale and release Names trapped on hundreds of "open years" - syndicate accounts which could not be closed because of uncertainties over future liabilities.

At the end of 1993, Lloyd's made a first out-of-court offer, worth \$900m, to Names seeking damages in the courts for their losses.

Mr Rowland was criticised at the time for not selling the offer hard enough. Now, he says, he had a duty to act in the interests of all Names.

Over the winter of 1994-95, Lloyd's accelerated plans to secure its future. New Co was to take responsibility

for liabilities on policies sold before 1993, rather than 1986 as previously envisaged. Actuaries faced a massively increased workload assessing liabilities and assets from thousands of policies dating from the last century.

The settlement offer was more than tripled, eventually reaching \$3.2bn, thanks partly to contributions from insurance brokers, agents running syndicates at Lloyd's and the market's auditors.

Mr Rowland's contribution was not finding solutions - most are credited to his colleagues - but in diplomacy and consensus building. Prior to becoming Lloyd's chairman, he was chairman of Sedgwick, the insurance broker, and his working life has been all about striking deals.

One wounding blow was the resignation last November of Mr Middleton, who left for a better-paid management job at Salomon Brothers, the US investment bank. Mr Rowland was

angry because he felt let down.

He now says - recognising the implied insult - that "some of these things which happen unexpectedly, turn out for the best". Lloyd's may have benefited from Mr Middleton's efforts but his successor, Mr Ron Sandler, "enabled us to build on that in a way which might not have been possible if Peter had continued."

In private, Mr Rowland is demanding to work for, snapping angrily when he is caught out unexpectedly or arrangements fall through. But to the outside world - and crucially, to embittered Names - his manner is almost stintily, no matter how great the temptation.

An early decision was to telephone Names who filled his mailbox with vitriol and obscenities. "Almost without exception, nobody has then continued in the same vein when you talk to them," he says.

Last month, Names were sent final bills setting out the cost to them of drawing a line under their affairs at Lloyd's. When - if - enough finally accepts, Mr Rowland plans to ring the Lutine bell twice in Lloyd's underwriting room, the traditional signal of good news at the market. He then plans a staff party - and a golf-free night's sleep.



When footwear group Chamberlain Phipps came to the stock market exactly two years ago, the prospectus trumpeted profits of \$5.6m, a net worth of more than \$28m and a market valuation of \$74m. Earlier this week it was placed in administrative receivership, leaving debts of \$47.5m.

This looks suspiciously like the smoke-and-mirrors corporate behaviour that prompted the establishment of the Cadbury committee on corporate governance in 1992. But it is not. The striking point about Chamberlain Phipps was the number of clear warning signals that emerged during its short stock market existence, thanks not least to the improved disclosure encouraged by the accounting profession. It would make an excellent case study for business schools.

First, there was a less than lustrous prospectus, in which executive chairman Mr Dan Sullivan was revealed as having been involved in three leveraged buy-out companies that had filed for protection under the US bankruptcy code. He had also had a spot of trouble in US the property market. And a quoted UK concern of which he was a director, Bastian International, was put into receivership in 1993.

By way of reassurance the prospectus declared that Mr Sullivan's career as an active investor had nonetheless yielded a substantial overall profit. As for the track record of the company, the core businesses in Britain, France and north America had been assembled over a relatively short period by Mr Sullivan with family money and funds from Legal & General. That raises the question of what constitutes an appropriate level of borrowing.

In the first balance sheet published after the placing by merchant bankers Samuel Montagu had borrowed \$24m. Gearing was equivalent to 132.5 per cent of shareholders' funds. In a business rich in human capital, that might have made sense. But this was no information company.

Chamberlain Phipps was in basic shoe components

Visible from afar

John Plender on the lessons from the collapse of a UK footwear company



for the manufacture of low-to-medium priced shoes and in footwear itself - exceptionally difficult markets facing cheap foreign competition. Nearly two-thirds of the fixed assets were in plant and equipment, which is less marketable than commercial property. What property there was did not sit in Mayfair.

So the company was already over-gearred when it was floated. And the float coincided with a pause in global economic growth precipitated by the correction of an excessive inventory build-up - a process in which the shoe industry itself was playing a bit part.

The 1995 annual accounts showed operating profits of \$15.1m. A fairly upbeat review of the group's operations pointed out that this provided cover for several payments of a seemingly healthy 5.6 times. Anyone who took the trouble to look at the cash flow statement, however, would have seen that the net cash flow from those operations, at \$5.7m, was a mere third of the operating profits.

This meant that on a cash flow basis the dividend was

uncovered. It was, in effect, being paid by Chamberlain Phipps's bankers, led by the Bank of Scotland.

Mr Sullivan, who owned 25 per cent of the equity capital, argues that this last summer is a tale of junkies and burns in New York's East Village. Rent, the rock musical created by Jonathan Larson, who tragically died at the age of 35 on the night of its dress rehearsal, is Broadway's hit of the year, and almost all the Hollywood studios bid for its film rights. Miramax, part of the Walt Disney group, emerged as the winner last week.

The battle for Rent is only one of the signs that the musical is coming back into fashion in Hollywood. The movie version of Evita, starring Madonna, will be released at Christmas. Warner Bros has started filming Phantom of the Opera, and Disney has asked Elton John to write a rock musical based on Verdi's Aida.

"Until the 1960s musicals were big money earners for Hollywood," observes Mr Steve Perrin, managing director of Entertainment Data International, the research consultancy that monitors the box office performance of films. "Then there were a few expensive flops and the studios lost interest, but now there's a revival."

The golden age of the Hollywood musical was the 1930s, when Busby Berkeley was lured from Broadway to film his lavish spectacles, and the 1950s, when Arthur Freed's Singin' in the Rain, was followed by Rodgers and Hammerstein's Oklahoma! and South Pacific.

The genre reached its commercial peak in the mid-1960s when Mary Poppins took a total of \$43m in its first box office run. A year later The Sound of Music, also starring Julie Andrews, but with music by Rodgers and Hammerstein, fared even better with \$106m.

In real terms The Sound of Music, which would have earned \$430m in today's money, is the highest-grossing film ever after Gone With the Wind and made nearly twice as much in its first run as this summer's blockbusters, Twister and Independence Day.

Its success prompted Hollywood to invest in increasingly expensive musicals culminating in Columbia's

release of Oliver! in 1968. Oliver! won an Oscar for Best Picture, but it barely broke even at the box office.

Hollywood has since viewed the musical with scepticism. The few successful attempts at updating the genre - including Fox's 1975 film version of The Rocky Horror Picture Show and Paramount's 1978 production of Grease - have been outnumbered by flops such as Columbia's Godspell, which earned a paltry \$3m in 1973.

Orion's The Cotton Club only recouped half its \$50m budget and tarnished the glided reputation of its director, Francis Ford Coppola, when it opened in the US in 1984.

The musical hit its nadir



High note: the rights to Broadway hit Rent were fought over by almost all Hollywood studios

Hollywood encore for sound of music

Musical films are back in fashion after the failures of recent years, says Alice Rawsthorn

release of Oliver! in 1968. Oliver! won an Oscar for Best Picture, but it barely broke even at the box office.

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The musical hit its nadir

in 1994 with Columbia's I'll Do Anything, directed by James Brooks, whose previous credits include Terms of Endearment and Broadcast News. Like The Cotton Club, the production went over budget and the audience reaction at test screenings was so poor that Columbia renounced it of the 12 songs from the final version.

Unsurprisingly, it sank at the box office. One catalyst for Hollywood's newfound confidence in the musical is the revival in Broadway's fortunes. The opening of big budget musicals, such as Big and Victor/Victoria, has buoyed box office receipts, and a couple of critical and commercial

hits - Rent and the tap dance spectacular, Bring in Da Noise, Bring in Da Funk - have attracted a younger audience.

The race for the Rent film rights began weeks after the show opened at the 150-seat downtown New York Theater Workshop, even before it transferred to Broadway. The auction was complicated by the feelings of Jonathan Larson's family, still mourning his death, and by their insistence that the film should not be released until 1999 for fear that it might adversely affect the stage production. Warner, Universal and Fox were among the studios that bid up to \$5m for the rights, but the

studios will doubtless carry on snapping up musical rights and rushing them into production. If not, they may well decide to sit on their eagerly acquired rights as Warner did with Phantom of the Opera.

Even if Evita is a hit, there is no guarantee that Phantom, Aida or Rent will be equally successful over the film-gate demographics of film-going have changed and there's now a large adult audience that may well enjoy a well-made, sophisticated film like Evita," says EDI's Mr Perrin.

"What we won't know is whether Evita succeeds because people like musicals, or because it's a good story with a strong performance by Madonna."

Larson finally plumped for Miramax.

Another lullip for the musical film was a series of previews of Evita, directed by Alan Parker, starting with the showing of a 18-minute clip at the Cannes Film Festival in May. Until then Evita was seen as an ill-starred venture which had taken years to finance and featured a risky star in Madonna, most of whose previous films were panned by the critics before bombing at the box office.

Yet the response to the previews, and to Madonna's performance, was so rapturous that it seems to have revived Hollywood's confidence in the entire musical genre.

The film industry often behaves in a lemming-like manner. Twister has already spawned a copycat series of natural disaster movies. And as soon as it looked as though Evita would be a hit, the studios started looking for other musicals to turn into films.

Elton John has started work on Disney's rock Aida, and Warner has begun production on Phantom of the Opera after sitting on the rights for years. Universal is considering giving the green light to an animated film version of Cats. The Really Useful Group, which owns the rights to all Andrew Lloyd Webber's musicals, including Phantom, Cats and Evita, is in negotiations with several studios over the film rights for Starlight Express and Joseph and the Amazing Technicolor Dreamcoat.

Hollywood has yet to see whether the first wave of enthusiasm for Evita translates into commercial success at the box office. If so, the studios will doubtless carry on snapping up musical rights and rushing them into production. If not, they may well decide to sit on their eagerly acquired rights as Warner did with Phantom of the Opera.

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"What we won't know is whether Evita succeeds because people like musicals, or because it's a good story with a strong performance by Madonna."

Antony Thorncroft on the controversy surrounding the Edinburgh International Festival on its 50th anniversary

A summer storm in Scotland

Expectations were so high. To celebrate 50 years of the Edinburgh International Festival, which is now entering its final week, Mr Brian McMaster, the director, had pulled out all the stops. The board had agreed a record budget of \$5.5m - and a rare deficit of \$185,000 to make sure everything went well.

Sponsors rallied round, contributing \$1.3m for the three-week jamboree, much more than expected. The programme, a mixture of nostalgia and the avant-garde, was generally admired.

booked to play Haydn, disbanded. Such setbacks are not rare, but the combination was an unwelcome surprise.

To mark the anniversary Mr McMaster had introduced a lecture, to be given by Professor George Steiner, on culture and society.

The professor was not merely miffed, suggesting that the arts were outdated and that science should be celebrated more; that the arts were of little consequence in a world dominated by events such as those in Bosnia; that perhaps it was time for the Edinburgh Festival to consider its relevance. On a practical note he suggested that audiences should be allowed in to see the creative process rather than just perfected performances.

But the biggest disaster for the festival was waiting in the wings. The first night of Canadian wunderkind Mr Robert Lepage's one-man Hamlet, entitled Estivo, was cancelled minutes before the curtain was due to rise. The stage at the King's Theatre failed to cope with the complicated machinery and in the end all the performances were cancelled and almost \$100,000 in box-office revenue returned.

With such a catalogue of disasters it is not surprising that Mr McMaster, who has just completed five years as director and signed up for another five, should run into his first burst of criticism.

His predecessor, Mr Frank Dunlop, voiced what many had been thinking - that Mr McMaster was riddled on the same established

artists every year, especially the contemporary dancers Mark Morris and Pina Bausch, and theatre directors Mr Peter Stein and Mr Lepage, and that young talent was being ignored. Suddenly the Edinburgh Festival, long considered the greatest arts festival in the world, was fair game for abuse.

Sitting in his bleak office in the heart of Edinburgh, Mr McMaster is remarkably composed. His first task is to keep the festival afloat financially. With \$2.2m already taken at the box office and only another \$200,000 needed from the final week, he should achieve his target. "The public's interest has been unbelievable this year, the best ever. Last Saturday night every venue was packed and we turned people away - 7,200 seats were sold."

He is philosophical about the withdrawals and cancellations, but becomes excited when discussing Prof Steiner. "He got people talking. Suddenly the arts was in the news. But he said some things about the irrelevance of the arts which goes against all that I've been working for all my life."

He is dubious about letting the public into the creative process - "a festival of workshops is three weeks of coitus interruptus" - but goes on to add that next year there will be a production involving the audience in the creative. Mr McMaster is happy to defend his booking policy. "Five years ago the audience for contemporary dance to Edinburgh was very small and we were declining fast. Thanks to Mark Morris it is now buoyant."

He also stresses a desire to take the festival out - to schools and to the wider community rather than middle classes that makes up most of the audience. He believes this is possible through money from the National Lottery which can now be used to widen access to the arts. The festival already has a £7m lottery project under way to convert the old Tolbooth church into a much-needed festival centre and club.

To a great extent the sniping this year at Mr McMaster and the festival is just another event, another example of performance art. There is something ritualistic about the annual criticism that the festival does not cover the visual arts or the popular arts. Mr Timothy Clifford of the National Galleries of Scotland, in

open rivalry with Mr McMaster, mounts his own exhibitions at festival time - this year highly acclaimed shows of Giacometti and Velasquez - and the vociferous fringe, with more than 1,300 shows this year, provides more than enough populist fare.

If the criticism encourages an influx of younger performers in the future it will have done some good. However, it is unlikely to have disturbed the underlying complacency about the Edinburgh International Festival. From modest beginnings in 1947 it has achieved an unrivalled reputation. It is the magnet for 500,000 people visiting Edinburgh in August and contributes nearly £100m to the city's economy.

In terms of audience size and impact on the popular cultural life of the nation it cannot compete with the fringe, but it is too much of a good thing to be blown off course by some summer storms.



CURRENCIES AND MONEY

MARKETS REPORT

Cuts continue

By Richard Adams

The effects of the Bundesbank's rate cut surprise continued to reverberate across currency markets yesterday, with further interest rate cuts coming from peripheral European Union countries.

Central banks in Finland, Portugal and Greece all cut key money market rates, following Thursday's securities repurchase rate reduction in Germany to 3.0 per cent.

News of Germany's consumer prices remaining mainly flat last month confirmed Thursday's statement by Mr Hans Tietmeyer, the Bundesbank president, that inflation was not a concern. The D-Mark strengthened against the French franc, to FF3.414 by London's close, having closed at FF3.409 the previous day. Against the Italian lira the D-Mark rose to be worth L1018, up one

lira from the day before. Against expectations after the German rate cut, the US dollar lost ground. The dollar finished worth DM1.497, from DM1.495.

The dollar was hit by yesterday's news of higher than expected growth in durable goods orders, putting a possible interest rate rise back on the US agenda.

The yen was unmoved against the dollar, sticking

at Y108.5 in London. The markets were looking to the release next week of the Bank of Japan's quarterly tankan business survey.

Elsewhere, the Philippine peso saw heavy trading after false rumours of a political assassination, while the gov-

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UNIT TRUSTS

WINNERS AND LOSERS

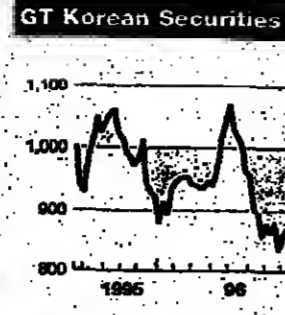
TOP FIVE OVER 1 YEAR

Table listing top 5 unit trusts over 1 year: NatWest UK Smaller Cos, Invesco European Small Cos, Baring Europe Select, Jupiter European, Johnson Fry Stellar Growth.

BOTTOM FIVE OVER 1 YEAR

Table listing bottom 5 unit trusts over 1 year: Old Mutual Thailand Acc, Exter Warrant, GT Korea Securities, Save & Prosper Korea, Baring Korea.

GT Korea Securities



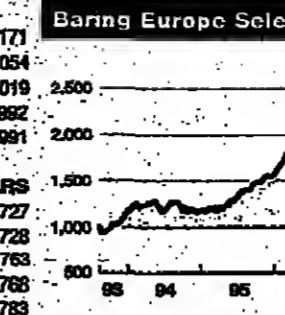
TOP FIVE OVER 3 YEARS

Table listing top 5 unit trusts over 3 years: Profitic Technology, Baring Europe Select, Hill Samuel US Smaller Cos, Morgan Grenfell Europe, Framlington Health.

BOTTOM FIVE OVER 3 YEARS

Table listing bottom 5 unit trusts over 3 years: Save & Prosper Korea, Sanyo Japan, Barclays Uni Japan & Gen Inc, Soviet Japan Growth, M&G Japan & General Acc.

Baring Europe Select



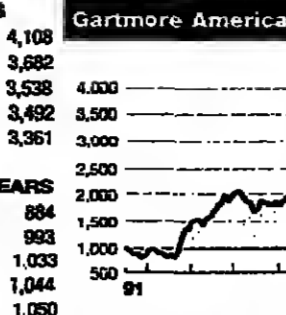
TOP FIVE OVER 5 YEARS

Table listing top 5 unit trusts over 5 years: Profitic Technology, Mercury Gold & General, Hill Samuel UK Emerging Cos, Gartmore American Emerging, Hill Samuel US Smaller Cos.

BOTTOM FIVE OVER 5 YEARS

Table listing bottom 5 unit trusts over 5 years: Friends Prov Japanese Sm Cos, Barclays Uni Japan & Gen Inc, Soviet Japan Growth, Equitable Special Situations, Invesco Japan Growth.

Gartmore American Em



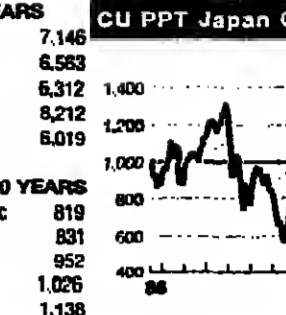
TOP FIVE OVER 10 YEARS

Table listing top 5 unit trusts over 10 years: Friends Prov Australian, Gartmore Hong Kong, HSBC Hong Kong Growth, Abbey Asian Pacific, Invesco S E Asia.

BOTTOM FIVE OVER 10 YEARS

Table listing bottom 5 unit trusts over 10 years: Barclays Uni Japan & Gen Inc, Mercury Japan, M&G Japan & General Acc, CU PPT Japan Growth, Fidelity Japan.

CU PPT Japan Growth



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. Source: HSW (01625 511311)

Indices

Table showing performance of various indices: Average Unit Trust, Bank, FTSE 100, etc.

UK Growth

Table showing performance of UK Growth unit trusts.

UK Growth & Income

Table showing performance of UK Growth & Income unit trusts.

UK Smaller Companies

Table showing performance of UK Smaller Companies unit trusts.

UK Equity Income

Table showing performance of UK Equity Income unit trusts.

UK Equity & Bond Income

Table showing performance of UK Equity & Bond Income unit trusts.

UK Eq & Bd

Table showing performance of UK Eq & Bd unit trusts.

Gilt & Fixed Interest

Table showing performance of Gilt & Fixed Interest unit trusts.

International Equity Income

Table showing performance of International Equity Income unit trusts.

UK Growth

Table showing performance of UK Growth unit trusts.

UK Growth & Income

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UK Smaller Companies

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International Fixed Interest

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UK Equity & Bond Income

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International Equity Income

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International Fixed Interest

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UK Growth & Income

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UK Smaller Companies

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UK Equity Income

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UK Equity & Bond Income

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UK Eq & Bd

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Gilt & Fixed Interest

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International Equity Income

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International Fixed Interest

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International Fixed Interest

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UK Equity Income

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UK Equity & Bond Income

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UK Eq & Bd

Table showing performance of UK Eq & Bd unit trusts.

Gilt & Fixed Interest

Table showing performance of Gilt & Fixed Interest unit trusts.

International Equity Income

Table showing performance of International Equity Income unit trusts.

International Fixed Interest

Table showing performance of International Fixed Interest unit trusts.

INVESTMENT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Table listing top 5 investment trusts over 1 year: TR Technology, Finsbury Worldwide, Baring Emerging Europe, Thompson Citic, Central European Growth Fund.

BOTTOM FIVE OVER 1 YEAR

Table listing bottom 5 investment trusts over 1 year: Exmoor Dual Capital, Contra-Cyclical Capital, Exmoor Dual Inc, Fleming Indian, Fulcrum Capital.

Fleming Indian



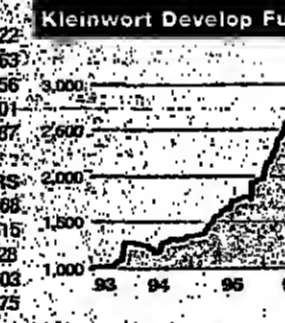
TOP FIVE OVER 3 YEARS

Table listing top 5 investment trusts over 3 years: TR Technology, Investment Trusts, Thompson Citic, Investment Trusts, MCI Capital.

BOTTOM FIVE OVER 3 YEARS

Table listing bottom 5 investment trusts over 3 years: Exmoor Dual Capital, Contra-Cyclical Capital, Exmoor Dual Inc, Fleming Indian, Fulcrum Capital.

Kleinwort Develop Fund



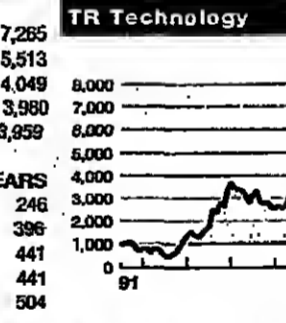
TOP FIVE OVER 5 YEARS

Table listing top 5 investment trusts over 5 years: TR Technology, MCI Capital, Thompson Citic, Foreign & Colonial Equities, Newmarket Venture Capital.

BOTTOM FIVE OVER 5 YEARS

Table listing bottom 5 investment trusts over 5 years: Exmoor Dual Capital, Contra-Cyclical Capital, Scottish National Capital, East German, Exmoor Dual Inc.

TR Technology



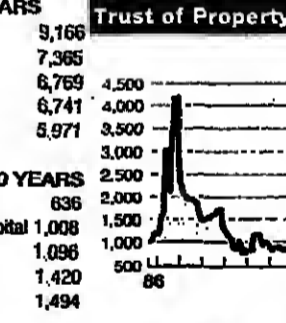
TOP FIVE OVER 10 YEARS

Table listing top 5 investment trusts over 10 years: Candover, Capital Gearing, Rights & Issues Inc, Pacific Assets, Rights & Issues Capital.

BOTTOM FIVE OVER 10 YEARS

Table listing bottom 5 investment trusts over 10 years: Newmarket Venture Capital, New Throgmorton (1983) Capital, Trust of Property Shares, Jove Capital, TR Property.

Trust of Property Shares



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. For investment trust prices see main paper.

UK General

Table showing performance of UK General investment trusts.

UK Capital Growth

Table showing performance of UK Capital Growth investment trusts.

UK Smaller Companies

Table showing performance of UK Smaller Companies investment trusts.

UK Equity Income

Table showing performance of UK Equity Income investment trusts.

UK Equity & Bond Income

Table showing performance of UK Equity & Bond Income investment trusts.

UK Eq & Bd

Table showing performance of UK Eq & Bd investment trusts.

Gilt & Fixed Interest

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Table showing performance of UK General investment trusts.

UK Capital Growth



Authorised Unit Trusts

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 678 4378 for more details.

FT MANAGED FUNDS SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Bank of Ireland Fund Managers Ltd, City of London Unit Trusts, and others, with columns for name, type, and price.

Table listing various unit trusts such as City of London Unit Trusts, City of London Unit Trusts, and others, with columns for name, type, and price.

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Advertisement for FT Financial Publishing featuring 'Developments and opportunities in Eastern Europe', 'FINANCE EAST EUROPE', 'EAST EUROPEAN INSURANCE REPORT', and 'EAST EUROPEAN BUSINESS LAW'.

Main table of FT Managed Funds Service listing various unit trusts and their performance metrics.

Guide to pricing of Authorised Unit Trusts, detailing charges, pricing methods, and contact information.

Handwritten Arabic text: 'صكنا من الامم'



# Weekend FT

### David Lascelles tries to piece together the life of a relative who disappeared

**M**ara Plesnik and her sister-in-law Jerica remember well the summer of 1944 when two young English army majors appeared at their farm in a remote valley in northern Slovenia to set up a clandestine radio base with the local partisans.

The memory is vivid because the Nazis got wind of them and raided the valley, Logarska Dolina. In appalling reprisals, they burnt down all the farmsteads, including the Plesniks', and either shot or deported most of their occupants. But the two Englishmen managed to escape to a hut in the mountains.

More than 50 years later, a group of us are sitting in the Plesniks' rebuilt farmhouse listening to Mara and Jerica's grim tale with interest. We know exactly who the two majors were: they were Charles Villiers and Aligar Hesketh-Prichard, members of the Special Operations Executive, the "dirty tricks" arm of the British forces, who were flown into Yugoslavia in the latter stages of the war.

The first of the two survived the mission, and went on to become chairman of British Steel. The second vanished without trace; his fate remains one of the lingering mysteries of the war. He was my wife Venetia's uncle, and we are retracing his steps to try to find some clues; hence our arrival at the Plesniks'.

Mara, her eyesight now fading, recalls that Hesketh-Prichard was "tall with a long nose". That fits. Our family pictures show an intense young man in officer's uniform with smoothed back hair accentuating the ridge of the nose he broke in a riding accident. The pictures are part of the family legend that has built up around him: the dashing young adventurer cut off in his prime. But Venetia and I have found it hard to get any clear sense of the man.

To some - mainly his family and London friends - he was colourful, lively, resourceful (he was particularly good at radios). He kitted himself out in Savile Row, frequented the White's club bar and drove a flashy sports car. But to others, mostly those who were alongside him in the war, he was the opposite: taciturn, obsessive and difficult to work with.

One clue to this jumble of personalities could be his father, Hesketh-Prichard senior, had been a military hero in the first world war. An excellent shot, he "bagged" hundreds of Ger-



## Hunt for the missing major

mans as a sniper. He died young, and his son was brought up in the shadow of his dazzling reputation, probably feeling he could never match him. The outbreak of the second world war was a chance for glory, and he threw himself into it with enthusiasm.

In 1943, SOE was working on a plan to penetrate Austria ahead of the advancing Allied armies in the Balkans and open up lines of communication with the local Austrian resistance. Hesketh-Prichard was selected for the mission partly because of his handsiness with radio technology.

Operation Clowder, as it was called, was devised by Hesketh-Prichard's commanding officer Peter Wilkinson who had been in Yugoslavia a few months earlier clearing the way with Tito. Today, Sir Peter is 88 with a distinguished diplomatic career behind him. He is sitting with us at the Plesniks'. "It was a fishing expedition," he says. "We had little idea of the political situation in southern Austria. It was Aligar's job to find out."

All through the summer of 1944, Hesketh-Prichard and Villiers hid out in the Slovenian Alps, gathering men and equipment for a push across the Drava River near Klagenfurt in the latter part of the year. But in early autumn, Villiers fell ill and had to be invalided out, which meant that the whole operation shifted on to Hesketh-Prichard, who was then 28.

Operating with the code name Major Cahusac, he had the support of the local Slovenian partisans who had been instructed by Tito to help the Englishmen. But it was an uneasy alliance, based on overlapping rather than common interests. The Allies were supporting Tito, not to help him rid Yugoslavia of the Germans, but to tie them down and prevent them being redeployed to the new front in Normandy.

In Slovenia, the Allies needed the partisans to aid their advance, but they had no intention of helping them to annex parts of neighbouring Carinthia and Trieste, which was their intention. So there were bound to be strains between Hesketh-Prichard and his partisan colleagues.

He was with a dwindling partisan force, short of food, and in constant fear of betrayal

knows the mountains like the back of his hand. "But he was courageous, and that earned our respect."

Gorjan guided us up a twisting mountain track, through forests of fir and beech, to a clearing between the peaks. Before us was a large farmhouse and a stretch of alpine meadow

the vast mountain ranges all round us where Hesketh-Prichard was based at this time, beautiful and dramatic in the spring sunshine. With us, we had Bozidar Gorjan, or "Bogo", who was the deputy commander of the local partisans and worked closely with Hesketh-Prichard. "He was an arrogant man," says Gorjan, a fit 72-year-old who

where Allied aircraft dropped Hesketh-Prichard's supplies on moonlit nights. As we looked, a brief spring shower swept up the valley, and the sun created a complete rainbow arch far below us.

In early autumn 1944, the Allies were still confident they would reach Vienna by Christmas (the Russians had already liberated Belgrade). The Germans successfully resisted the advance, and plans were delayed. Hesketh-Prichard was also having difficulty overcoming the partisans' mistrust, which added to his frustration. His coded signals show a mounting obsession with the task of crossing the Drava, no doubt with the thought that he could be spearheading the Allies' southern advance into the Third Reich.

By force of will and much badgering, he eventually got the consent of the Allied command and the partisans for the crossing. The air force dropped in rubber dinghies and provisions, and in early October he set out with 80 partisans on the perilous 30km journey to the Drava valley.

We followed this part of his journey ourselves. Today, a modern road runs north from the top of the steep Seebergsattel pass above Logarska Dolina, down through the spa of Elsenkappel and on to the wide Drava valley with its neat Austrian villages and open fields.

Hesketh-Prichard's group successfully crossed the Drava in three parties - probably at a point near the market town of Volkermarkt where the river widens, losing some of its force. After the crossing, things started to go wrong. His guide lost the way, forcing the party to take refuge in the Sausalpen, a bleak 6,000ft high range north-east of Klagenfurt. More seriously, Hesketh-Prichard quickly discovered an almost total lack of local sympathisers, let alone anything resembling an Austrian resistance movement.

To top it all, the weather worsened, hampering further air drops. As December neared, it also became obvious that the Allied advance would have to stop for the winter, leaving Hesketh-Prichard marooned way behind enemy lines.

We have only sketchy accounts of his existence there. He was living rough with a dwindling partisan force, short of food and shelter, with no supporting local resistance network, and in constant fear of betrayal. After their supplies ran out, the group split up and was forced to raid local farms for food and an electricity supply to work the radio. Morale ebbed, and there was an incident in which Hesketh-Prichard knocked down a partisan who had plundered a farmhouse against his orders.

My wife and I drove up to the small town of Ebersheim on the western slopes of the Sausalpen, the last place where he was seen alive. The

Private View: Raymond Blanc reveals what is at the heart of his craft

Property: Beef crisis causes delays

Travel: Graham Greene lives on in Haiti

Arts: How To Spend It

Books: Bridge, Chess, Crossword

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Tony Jackson

## State of the olde world nation

A spell away from home can put the air of pessimism in Britain into a wider and brighter context

**F**or the expatriate journalist, it is hard to escape the conventional notion that Britain is going down the drain. The nation's one international media story, the royal family, is the stuff of ridicule. For the American business community, on which I have been reporting for the past two years, the UK is scarcely a blip on the radar.

There is supporting evidence at home. Since I returned from New York a few weeks ago, I have been reading Will Hutton's best-selling book, *The State We're In*. Britain, Hutton says, is in a bad way. Indeed, it is tottering on the brink of ruin, brought there by the insensate greed of its financiers and the lack of a written constitution.

Oddly enough, it does not seem like that, at least on the surface. Call me Pollyanna, but I could swear that London has improved

since I have been away. The change is most marked where least expected: in the public spaces, which in the supposedly selfish 1990s should have been left to fend for themselves.

I notice, for instance, that money has been spent on Regent's Park. Even seedy old Southwark, home of the FT, has been smartened up. Private money has been at work as well. I can now take a train to Paris through the Channel tunnel. And on a local level, it seems that every pub in central London has taken to decking itself out with hanging baskets of flowers.

Now, I am not Pollyanna enough to believe this is the whole story. My old haunts on London's fringes - Tooting, say, or Stoke Newington - are doubtless as drab as ever. Certainly, the job centres still draw the same depondent crowds; and the beggars are still out on the streets of Camden Town.

But there is nothing like a spell away to give a sense of context. Nowhere in London is as awful as the worst parts of New York. The blight of unemployment is not peculiar to the UK. Begging is now an international phenomenon.

Call me Pollyanna, but I could swear that London has improved

A direct comparison with New York flatters London in other respects. For the business journalist, America is still the centre of the universe, and New York will always be a terrific place to visit. But it is a different matter when it comes to setting up house.

Doubtless, the average New Yorker could make the same point in reverse. But it is good to get away from Manhattan's cramped and squalid supermarkets, from primitive kitchen appliances and from banks which are incapable of paying regular bills by standing order.

The state of the British economy is another matter. The more one sees of the immense dynamism of American capitalism, the more one worries about the British version. This brings me back to Hutton's book: in particular, to the thought that his view of the UK, apparently so gloomy, is in some respects too sanguine.

His thesis, familiar to those with memories of the 1970s, is that there is nothing wrong with the UK economy which cannot be solved by a good dose of investment. That, in turn, is prevented only by the snobbery and avarice of City financiers.

What we have here is a conspiracy theory. To quote Pat Barker's excellent novel *The Ghost Road* - last year's Booker prizewinner - all conspiracy theories are optimistic. They assume that while the rationale may be hidden, somebody somewhere knows what is going on.

This belief has been badly dented by events in the City over the past two years. Barings, of course, has gone under. A string of old finance houses - Warburg, Kleinwort Benson, Smith New Court - have fallen from foreign ownership. Far from being the cause of the British disease, the City is revealed as one of its chief victims.

That disease can be simply defined as a failure of management. I found it mildly dispiriting to learn, while in the US, that Samsung of Korea is to make microwave ovens in north-east England. This seems

symptomatic of the task, one would have thought, should not be beyond the reach of local talent.

In certain parts of the economy, British managers seem to have lost their self-belief. That is the sad rebuttal of Hutton's naive faith in investment. If companies have lost the knack of making things which people want to buy, it makes little sense for them to build factories anyway in the hope of stimulating the economy.

But perhaps such thoughts are also symptoms of the disease. In the dying years of the millennium, there is a natural tendency to pessimism.

So given that the weather is fine and the streets of London heckon, I think I shall go for a walk. If I am oppressed by thoughts of the nation's decline, there is a simple remedy. I shall pause under the lower baskets and have a pint of beer.

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PERSPECTIVES

# The Nature of Things From canter, to gallop and beyond

Andrew Derrington says only psychology can push horses passed the pain barrier to new records

Why is it that although human athletes run faster and faster year by year - in the last half century more than 20 seconds, or about 10 per cent, has been shaved from the world record for 1,500 metres - horses, which are equally the beneficiaries of scientific training and healthcare, are hardly improving at all?

Some scientists would dismiss this question because it poses an unfair comparison. Unlike human athletes, horses, and their owners, get nothing for breaking records.

David Marlin of the Animal Welfare Research Trust at Newmarket points out that the important thing for a racehorse is to beat the others in the race, not to set a fast time. If fast times were to become more important he thinks that horses would improve.

"If you put up half a million pounds for the first horse to take five seconds off the record

for the mile, it would happen," he says.

But there is a real difference between horses and humans that suggests it will be very difficult for horses to get faster although humans could continue improving for some time yet. The problem is that even untrained horses are already superb athletes - there is almost no room for improvement. "It starts from birth," Marlin says. "A human can't run very fast until they are about 10 years old. A horse is able to canter about with its mother - it would have to in order to survive in the wild - within a few hours of being born."

This basic difference persists throughout life. A good test of a runner's fitness is to measure the oxygen consumed when exercising to the limit on a treadmill. An elite human athlete uses about 70 millilitres of oxygen per kilogramme body weight every minute, Marlin says. An average thoroughbred horse uses 140 and an exceptional horse might use as much as 210.

The horse is like a super-charged racing car. Every component is pushed to the limit. There simply isn't any easy way to make it go faster. Attempts to increase the power of the engine are just as likely to break some-

thing as to produce a gain in speed. In contrast the human is like a modest family saloon car. It is fairly easy to boost performance with a bit of tuning.

This analogy is borne out by the injuries that horses suffer in training. A well-known vet who works with racehorses says that about 25 per cent of two- and three-year-olds suffer injuries to the front knee joint or to the cannon bone which connects the knee to the fetlock.

"At the gallop half a ton of horse lands on one outstretched leg and the cannon bone simply bends backwards," Marlin says. He likens these injuries in young horses to the problems

suffered by overtrained young human gymnasts.

However, it is not just a question of immaturity. Older horses are also up against the limit. About 30 per cent of them suffer strain injuries to the tendons that run up the back of the foreleg.

A racehorse trainer works on a knife edge, balancing the need to improve a horse's fitness against the likelihood of causing injury. "Racehorse training is a very difficult job," Marlin says. "A horse's bones only need 20 seconds of work a day but they might want an hour or more to improve the heart and lungs." Humans on the other hand

benefit enormously from training, according to Ron Maughan of the University of Aberdeen. But an athlete's natural endowment is also important. It determines what kind of running he or she can do. Sprinting requires "fast twitch" muscle fibres, which work largely on limited stored energy reserves that do not require oxygen. Distance runners need slow twitch fibres which can take advantage of the much more copious energy available from oxidative metabolism.

The balance between the two kinds of muscle is genetically determined. According to Maughan, one of the important

factors improving human world records is that a larger gene pool is being exposed to the effects of training.

World records are not just falling, they are going to different countries. "If the Kenyans had done as much training 50 years ago as they do today one of them would have been the first four-minute miler," he says.

The only area where humans probably do outclass horses is in their determination to win, and their ability to tolerate pain in order to do so. According to the vet, most horses do not have anything that corresponds to a will to win. "They couldn't give a damn really" and they will not tolerate pain.

So it could be that the next big advance in racehorse training will come from the application of psychology, if somebody can train a horse to run through the pain barrier.

The author is professor of psychology at the University of Nottingham.

## Minding Your Own Business

# Catching Cornwall's persistent pests

Clive Fewins on a one-woman, rat, flea, wasp, ant, mole control company

Since she was a child Sharon Harvey has always been an animal lover, yet her daily round is a catalogue of death for scores of small quadrupeds in her south-west Cornwall catchment area.

Harvey is a professional rat-catcher - the only full-time registered, female self-employed rat-catcher on 24-hour call in the county, she believes.

"Catchers", the name Harvey, 33, gave the Redruth-based business, has been going for 3½ years. In that time it has expanded to cover ants, fleas, wasps and moles. Harvey is still the only employee of the company, aided on odd occasions by her husband Shaun, 37.

The turnover of her business is a closely guarded secret, as are her profits.

"I really do not want the competition to know too much about my business for the same reason that I keep many of my methods secret," she says. "In this depressed part of Cornwall, if you have a successful enterprise it is a battle all the way to start up and keep going."

"It has taken a long time to learn my business and its success is crucial to our family. My competition is mainly from big national companies and I want to remain an unknown quantity to them - particularly as my eventual aim is to take over many of their contracts."

The idea of Catchers started five years ago when the Harveys realised that the osteoarthritis he had developed would eventually prevent him from working. When he lost his job in the meat industry in March 1995 they found themselves and their three children on income support for six months.

"We went from £150 a day to £115 a week," Harvey says. "Despite the fact that Shaun's job had never been secure it was a massive shock."

Shaun is now on invalidity benefit and the family survives largely due to two income protection policies taken out 10 years ago.

"I am able to draw very little from Catchers because of the need to reinvest," Harvey says. "I badly need a computer and a new chemical room. Also the four-wheel drive

vehicle I use to visit farms is too expensive to use all the time so I could also do with a second, smaller vehicle.

"Despite this I am confident everything is in place to make good profits. I have contracts with local hotels, pubs, clubs and cinemas, and business is beginning to snowball. I am also fighting against some of the big national companies to win local authority contracts."

Contracts account for only 15 per cent of Catchers' turnover - most of Harvey's jobs are small, for which she usually charges around £25 a time. One big contract would bring greater security.

Many jobs take place at unsocial hours when the local authority service is unavailable. Harvey recalls driving 12 miles to Falmouth one night when called out by a lady whose newly decorated sitting room was harbouring a rat which had wandered in through the French windows and taken a liking to the new deep pile carpet.

"It was a task for Bonnie, my little lurcher," says Harvey. "She despatched the rat quickly and neatly but the customer seemed reluctant to hand over £25, even though it was after 10pm."

Harvey usually charges the same amount for daytime visits, depending on how far she has to travel. One source of business is from people or companies who prefer her unmarked vehicle to one with "Pest Control" clearly marked on its sides.

"People down here do not like the idea of needing to call in a pest control specialist. They do not seem to realise that most of us live with rats nearby," she says.

"Britain's rat population is estimated at 60m and fast outgrowing humans. There is said to be a rat within 30 yards of each one of us most of the time."

Although rats comprise around half her business Harvey is also licensed to use the deadly poisons necessary to eradicate moles on agricultural land. It is an increasing part of her business.

"But in the summer, with its high temperatures, was a good one for fleas, ants and wasps, and she even has to deal with feral cats.



Sharon Harvey: 'I really do not want the competition to know too much about my business'

"People sometimes think it is a strange occupation but I was brought up with animals and we kept all sorts of strange pets here in Bodmin in the days when we could afford it," Harvey says.

"I worked on a farm as a teenager and I realise that some species have to be controlled. It is very rare for me to come face to face with a rat and when that happens he is usually very weak and I am able to despatch him neatly with an old truncheon.

"Using the truncheon, as I call it, is the only part of my job I dislike. Fortunately, 99 per cent of the rats I kill die in their holes of poison. The skill is in applying the right

amount of the right chemical - so the rat dies as rapidly and humanely as possible.

"The other skill is in making money. Although I have no overdraft and no loans I have still not paid Shaun any of the £7,500 he lent me to buy the vehicle and equipment and pay for the courses I went on when I started Catchers.

"I also need to improve my skills at assessing jobs and quoting correctly. In the past I have done some very unprofitable jobs. On occasions I have driven up to 25 miles to a job for which I have charged £25 and the poison needed has cost as much as £15.

"The other thing I have to tackle

is the balance between the rat work and the other jobs, which can often be more profitable.

"However, I believe I am succeeding. Although showing real profits is still hard I gain a lot of job satisfaction and I feel I am helping people.

"I am optimistic that after another few years I shall be able to turn over about £40,000 and take out £25,000. Together with the insurance that should enable us to stay in our home and have a reasonable standard of living."

■ Catchers, Primrose Cottage, Garby Lane, Southdowns, Redruth, Cornwall TR 15 2NU. 01208-211994.

## Truth of the Matter Knocking at heaven's door

Clergy are peculiarly vulnerable in our cities, says Philip Crowe

Eric was a harmless, highly intelligent man, who shuffled around Birmingham wearing polythene hags on his hands and feet. He usually sat near the door of St Martin's-in-the-Bull Ring, and if he found the sermon boring, he would take out a tin of Vaseline, smear a large dollop on to his completely bald head, and slowly rub it in.

Mr Nixon always wandered around in his oilskins. He had once worked on the barges, and whenever he came to church, which was often, he would never sit down. He hovered near the exit, ready to make a silent and swift getaway. One Friday he heard that there was to be a confirmation service next day.

"This 'ere bread and wine," he said to the rector. "I think I'd like some." It was the first move he had made towards a community for a long time. Next day, in his oilskins, he was presented to the bishop to be confirmed. After that, he would occasionally come up, always last, to receive communion, though he would sometimes stay at the communion rail after everyone else had gone, and mutter, "You didn't give me much wine, did you?"

Lorna was a seriously disturbed person, about 20 when I first met her. She was anorexic, and had retreated inside herself to the point where she could say almost nothing. Almost every week for nearly three years, I saw her for an hour, and if I had added up every thing she said in the whole of that time, it would have taken about 10 minutes. Eventually, we slipped into a routine where I would sit on the floor and hold her in my arms while we listened to music. It was her only contact with another human being, an oasis which made it possible for her to stumble on through her arid and silent desert.

It was nearly 20 years ago that I met Lorna and Eric and Mr Nixon in inner-city Birmingham. People like them are still there, more numerous because of Care in the Community. But things have changed. I doubt whether I could care for Lorna in the way I did then. It would not be safe now. My colleagues then thought it was innocent, and justifiable as a last resort. Today it would be considered seriously unprofessional, and I would be suspected of abuse.

For six years in the late 1970s, I worked in the inner city. I eventually reached the point where I automatically assumed people were nuts until they proved they were not, and on reaching that point I decided it was time to go. I began to fear for my sanity, but I never once felt my life was in danger.

Today, clergy are in danger in the inner cities as never before. People who are desperate, homeless and mentally ill get washed up in city centres. They always have. Twenty years ago, drink and poverty were the main problems, but people would not readily kill for either, and certainly not a vicar.

Today, people will kill for money, usually to feed an addiction to drugs. Getting money for the next fix is a

matter of life or death. Drugs have changed the culture and poverty has increased. Today there are also more young people who are homeless. In inner cities, violence is endemic.

The tragic and sad death of Christopher Gray in inner-city Liverpool was not an isolated occurrence. Last May a report was published called Knocking at Heaven's Door, which explored the new dangers faced by the clergy and offered some advice.

Clergy are peculiarly vulnerable partly because they live over the shop and are generally the only professionals who not only work but also live in the inner city. They have no protection, no colleagues or receptionists or secretaries. If someone wants to see a member of the clergy they knock on the vicarage door or wait around after a service.

Most of all, clergy are vulnerable because they are committed. They believe in a God who welcomes everyone, particularly the desperate and the deranged, and

The more dedicated the priest, the greater the risks - Christopher Gray was dedicated

they believe they should do the same. Turning people away is contrary to their belief and their calling. Clergy do not go around wearing flak jackets, protected by bodyguards. They are vulnerable, as their master was vulnerable, or they were vulnerable. The more dedicated the priest, the greater the risks, and it is evident that Christopher Gray was exceptionally dedicated.

I was preaching once in St Martin's when a man strode up the side aisle, staring at people. I went on preaching, and people let him wander around. He went to the side chapel and knocked the chairs over. One by one, slowly, I continued preaching and people allowed him to knock down the chairs because in those days we let people do whatever they had to do in the church, provided they did not make life impossible for everyone else. Today the man would have been stopped before he had got part way up the aisle.

Eventually he stood in front of the pulpit, looked me in the eye and said, "the Devil's in here". At that point I said, "I'm very sorry mate, but it's either you or me," and a hurly burly over the meat market, who weighed 17 stone, came forward and with a heaving smile, put his arm around the man's shoulders and wandered amiably with him to the back of the church.

Sadly Christopher Gray was alone with his attacker. Like his master, he was vulnerable and without protection. He was not stupid, he knew the risks. But he still served his God in an inner city which has become more dangerous, even for clergy.

## Dispatches / Kieran Cooke

# Mary King of Ballinakill

The graveyard at Ballinakill is on a slope overlooking a lough. The tops of the surrounding Coonemara hills are hidden by layers of cloud, like the hats of a clutch of cardinals. A gentle breeze sighs in from the Atlantic. Down by the shore an oyster catcher gives an echoing, whooping cry.

I first met Mary King nearly 10 years ago. We would meet for coffee, cream cakes and a good gossip in a little coffee shop at the back of a women's apparel shop in Baginbun Street.

Then I went far away. On my next visit I found the phone had been disconnected. Later I learned Mary, aged 83, had died and had been brought back to her birthplace at Ballinakill to be buried.

Hydrangea hushes poke

Chess No. 1, 142; 1 N6 Rights; 1 E6; 2 F6; or C6; 2 C6; and 3 C6;.

through the long grass. Plastic flowers are arranged neatly beneath round containers, like cakes in an old-fashioned tea room.

The world is a little emptier for Mary's going. She was the most well-read person I ever met. For more than 30 years she worked in Parsons' bookshop near the Grand Canal in central Dublin, a dusty emporium that served as one of the capital's literary shrines.

Parsons was owned and run by the eagle-eyed Miss O'Flaherty, a still sprightly 88-year-old when she eventually sold up and retired in 1989. In attendance at Parsons were Miss O'Flaherty's "girls" - Miss O'Riordan, Miss Ronan, Miss Leahy and Miss King.

Whereas Miss O'Flaherty confessed to never reading a

book in her life. ("I much prefer a good game of cards") Miss King vacuumed up everything that crossed Parsons' doorstep.

Parsons had an eclectic selection of books. One day Mary would be deep in Proust, the next she would be studying the architectural significance of the Sinau mosques in Turkey. I never once saw her sitting down at work; she stood reading in one corner at a dilapidated desk, ever ready to respond to any customer request.

To the uninitiated, Parsons was deeply confusing. Miss O'Flaherty took pride in eschewing any attempt at modernisation. No paint brush had been seen in the premises since she purchased it in 1947. Browsers would wander about in a cloud of dust. Miss O'Flaherty

was also deeply suspicious of any semblance of order, so Miss King's assistance was invaluable in tracking down a title.

"Ah - The Man Who Mistook His Wife For a Hat? I think it must be up there by that one on oyster farming. Would you get the steps and see for yourself?"

Dublin's literati would regularly stroll, and at times stumble, into Parsons. Miss O'Flaherty's favourite was Patrick Kavanagh. Mary had a soft spot for Brendan Behan.

"He was a grown-up schoolboy really," said Mary. "He was full of devilment but also very kind. He just enjoyed kicking over the traces and would have a go at authority of any kind. When he first came into Parsons he had a job as a

painter down the road. Brendan had a wonderful way with words and I never heard him swear, even when he had a good deal of drink."

Leaving Parsons was difficult for Mary. "It is like dismantling your life," she said at the time. She gave me the old desk she used to read on. "Brendan would come in and perch on its edge and talk in the most eloquent way you would be intoxicated by it. He had a wonderful way with words."

The desk now stands in our kitchen. Its handles, blackened with use, advertise the "Liberty Bodice - the garment for all ages". When something is mislaid you're likely to hear, "it's on the Eyendann Behan".

Mary continued reading to her retirement. Up until her

صوتنا من الامم



صبراً من الاجل

PERSPECTIVES



Knocking at heaven's door  
Philip Cowe

Lunch with the FT  
Money drives the writer

Andrew Jack on Paul-Loup Sulitzer, businessman and best-selling author

Paul-Loup Sulitzer, the French best-selling author, is a man who does little to play down his image. The Gallic equivalent of Jeffrey Archer continues to ooze from every pore *les amies* *fric*, the 1980s spirit of new money, a decade after its time.

We met in the Grand Vifour, a restaurant in central Paris, which well deserves its two Michelin stars in quality and price. His treatment by the *maître d'hôtel* showed that he was clearly a regular. In front of him sat the longest cigar I have ever seen, stretched across almost a third of the table.

Naturally, he assured me that it was also one of the most expensive concoctions of tobacco leaves available in the world; a Mootie Cristo from Cuba, which he stressed were "almost impossible" to obtain.

No doubt in deference to his interviewer (though it was his enthusiastic assistant who had suggested we meet), he was extremely flattering about the English, stressing his admiration for their courage and independence, expressing an interest in moving across the Channel, and posing concerned questions about my views on the latest thinking on mad cow disease.

But his strongest justification was, perhaps inevitably in between mouthfuls, that "you can eat extremely well in London, and there are excellent wine cellars". To prove his appetite for good quality food, he quickly endorsed our waiter's suggestion of a second round of the *rouge* main course for us both.

He also stressed the meticulous concern the British show over their high-quality ties and cufflinks. (I nodded assent while nervously fingering my loosely knotted tie - which concealed a shirt with the top button undone - with a hand protruding from a buttoned shirt-sleeve.)

None of this visible show of wealth should come as any surprise from a man whose first book, published in 1980, was called *Money*. Nor from one whose second, a year later, was called *Cash*. And certainly not from someone whose third, in 1982, was entitled *Fortune*.

Sulitzer, it seems, has acquired all of the above in a personal capacity. The son of an eastern European refugee who went on to laud a range of businesses, he first made his name in 1964 fighting French bureaucracy to become the youngest chairman of a company, making and selling key-rings before he reached the age of 21.

He went on to import a range of gadgets for Gallic collectors, before diversifying into consultancy, finance and property development in the 1970s. If he had stayed in business, his name would no doubt have remained relatively obscure. But he says he was inspired to write about the practical difficulties that he encountered in running a business.

He also had the pent-up frustrations of someone with a long-term contempt for all of those involved in the troubles of Paris in 1968 - intellectuals, such as Sartre, who suggested that "money is nothing"; but also the bourgeoisie "who hypocritically drove around in an old car while keeping four Rolls-Royces in their garages".

The result was his career relaunch into writing, which he saw as a way of "teaching economics to the young", glorifying business and explaining how the free market worked even at a time when the socialists were resurgent in France on the back of president François Mitterrand's election victory in 1981.

Sulitzer's first three "reconnaissance" Westerns at the start of the 1980s helped establish a reputation which even had him starring in a promotional video commissioned by the French treasury to encourage investors to buy government bonds. His image today would be less appropriate for such an operation, officials concede.

To be fair, the subject matter of his subsequent books has diversified with the times. His official biography stresses that as early as 1985 with *Hannah*, his sixth book, he had a woman as heroine. Two years later, with a further two titles on the shelves, he was awarded by the Gaullist administration the national order of merit for his "literary fecundity and working methods".

Along recent books have dealt with drug money, perestroika, and the latest - his 23rd - this summer with religious fundamentalism, after an appropriate non-fiction detour on dieting, two on healthy recipes and another on the causes of and solutions to France's problems.

He claims to have sold more than 35m copies in 43 countries, as well as numerous film rights. He says with some regret, but a good deal of pride and no concern

The guardian of the truth

Christian Tyler investigates the secretive world of the Special Operations Executive

In an attic room decked out in posters from the 1940s sat Gervase Cowell, Special Operations Executive Executive adviser to the Foreign Office and keeper of the SOE files.

Many people have taken the lift to the top floor of the Old Admiralty Building beside Horse Guards Parade in London to question him about the SOE, the secret army of saboteurs sponsored by Winston Churchill to harry the German occupiers of Europe in the second world war.

People go in search of answers. Their questions concern the fate of friends and loved ones and they hope Cowell's records will put their minds at rest.

Cowell knows as much as anybody about the daring but amateur network of agents whose real or mythologised exploits have inspired and comforted two post-war generations.

He is a sculptor and painter with exhibitions to his credit, a published poet and Russian translator in his spare time, and one of those intellectually outstanding civil servants who are almost too bright to live in the light.

As midwife to the retrieval of family histories, Cowell knows how faulty human recollection can be and how treacherous sometimes the record itself.

Cowell said the only thing more rewarding in his work than the stories contained in the manila folders was the people who turned to him for help.

"There is a childlike thrill in opening three letters every morning and wondering what you are going to see."

Those who find their way to his door in person or by letter, make inquiries that can be sad and painful. A war widow wanted confirmation of her husband's heroic death; the record said he was killed when he carelessly threw a rifle on to a jeep. In such cases Cowell would draw a veil over the truth.

A man wrote from Norway to say he believed he was the son of an SOE agent, conceived after a night of passion in an Oslo cellar. Cowell sent a photograph and the agent's family accepted him.

Some inquiries can be irritating, like the letters from descendants asking for money or other rewards. Or they can reveal the existence of extraordinary fantasists. There was the dinner guest who claimed to be a concentration camp survivor and carried the name of a person known to be dead; and the man who said he had been an agent in Berlin when the record showed he was in Blackpool taking his driving test at the time.

There was the magazine "Woman of the Year" who had made a career on the lunch circuit out of her non-existent SOE exploits; and the woman whose manufactured SOE past landed her a job teaching survival techniques at Maxwell US Air Force base.

"The trouble is they don't want to know if you write and say that he or she is a fraud," Cowell said. "No one doubts a dear old lady."

Sometimes the records themselves must be doubted. The fact is due to internal rivalry. SIS and SOE were often at loggerheads; they operated in very different ways - one group trained for elite infiltration, the other to blow things up - yet were competing for the same resources.

Some records held in Cairo during the war were deliberately destroyed when the German army came too close for comfort. A fire at SOE's head office in Baker Street, London, immediately after the war did more damage.

Because of lack of space, the files were subsequently reduced to about 13 per cent of their former bulk - an unsystematic cut but less drastic than it sounds, according to Cowell. Likewise, for some unexplained but probably not sinister reason there are large alphabetical gaps in the personal files.

The SOE files are now being released, area by area, to the Public Record Office at Kew after an "open government" initiative some years ago. Operational reports on East Asia, Scandinavia, the Middle East and Africa, eastern Europe and the Soviet

Union have already gone. Yugoslavia is due to go in two months, followed by western Europe, France, Italy and finally Headquarters.

The 7,000 personal files will not be made public for the same reason that medical and census information collected by the government is supposed to stay confidential.

Before files are released, the secret service has the right to "weed" them of any reference to itself or its own agents, partly to honour a promise that agents' names will never be published.

But SOE material itself is not restricted, and is held back only if information is thought likely to distress the families. "One tends to think one is guarding government secrets," Cowell said.

"There is very little of that kind of issue involved."

The release of files is unlikely to add much new material to controversies such as Churchill's decision to switch his Yugoslav support to Tito, or the capture of 48 Dutch agents - virtually the whole network - or the infiltration of the French Resistance.

"There was a tendency to romanticise, especially immediately after the war," Cowell said. "A lot of that was justified. The next generation of historians went to the other extreme and started to claim that SOE had been ineffective. We are still in the middle of that."

"There is much that is inspiring, and much of it was amateurish. But what else would you expect it to be?"

One man was killed when he carelessly threw a rifle on a jeep. In such cases Cowell would draw a veil over the truth

That something is written down does not make it true. The record may be wrong because witnesses are fallible or because a report was dashed off merely to honour the top brass.

It may give a false impression. The file on Christina Craville, a Polish countess who saved an SOE mission by persuading its captors that American forces were only three hours' away, is less eloquent about her exploits than about her claim for the loss of expensive silk underwear.

Cowell, who retired from the post last month just before his 70th birthday, said that when the

The hunt for the missing major

Continued from Page 1

town is dominated by a castle, which lends a certain romance, but otherwise it is quiet and dull. We took a mountain track and drove up towards the Sanalpen summit. We passed a pretty mountain village, St Oswalds, and several farmsteads, knowing that Hesketh-Prichard must have skulked around them. At about 1,500 metres the track ran out. I pulled on my boots and completed the last 300 metres on foot.

The Sanalpen summits are bleak. There are no dramatic rocky peaks, no sheltered corners, only a smooth ridge where the clouds scud by and the grass is flattened by the constant wind. I paused, imagining Hesketh-Prichard's mounting despair in this hostile place. No friends, no food, no purpose.

There is no record of his fate. The 40 or so partisans who came down off the Sanalpen when they were liberated the following spring denied any knowledge of his end. The Nazis' military records also offer no clues. Although a body dressed in British uniform was recovered after the war, this is not conclusive evidence because a lot of partisans were equipped in British gear. So we can only speculate.

One detail we have from the partisans is that there was a shoot-out with a Nazi patrol in early December. This has led to speculation that Hesketh-Prichard was killed or captured by the Germans. But, if so, it would almost certainly have been recorded somewhere.

Corjan's theory is that Hesketh-Prichard was wounded and committed suicide to avoid torture. This might explain why no one saw him die, though, again, it is strange that his remains were not found. A further theory, proposed by Dusan Biber, a Slovene war historian whom we met, is that he was murdered by Russian agents who were also trying to gain control of southern Austria.

"There was a lot of competing interests in the area," he says. "But this can only be speculation."

Sir Peter Wilkinson believes that the absence of evidence points to a cover-up of some sort. His theory is that Hesketh-Prichard, the conspicuous forger, became a liability to the partisans and had to be killed to cut the risk of discovery. But Corjan strongly contests this

because the partisans needed the Englishman to ensure continued access to Allied supplies. Venetia and I left the Sanalpen and drove to St Ruprecht, a church on the outskirts of Völkmarkt, where a mass grave and memorial commemorate the foreign liberators of the area. The grave contains the bodies of 88 fighters from eight countries. Two years ago, on the 50th anniversary of Hesketh-Prichard's death, Corjan was granted permission to add an inscription which reads: "Here lies the British liaison officer A.C.G. Hesketh-Prichard [Major Cahusac]."

We cannot be sure that his remains really do lie there. But at least he has not been forgotten. Venetia, the first of his relations to see the inscription, laid some flowers.

Did Hesketh-Prichard die in vain? Like many SOE missions, his exploits may be memorable more for their derring-do than their military value. The official account, which we later obtained from the Foreign Office files, in the care of SOE adviser Gervase Cowell, describes his action as "magnificent but unsuccessful". He is certainly a hero among the surviving partisans whom he inspired with his gallantry. Even Mara Plesnik, whose family suffered on his account, shed tears as she recalled his memory.



Paul-Loup Sulitzer: writing was a way of teaching economics Gervase Cowell



FOOD AND DRINK

Cookery / Philippa Davenport

It's time to preserve the fruits of your labours

**W**asps in the kitchen. I hate them but their presence seems inevitable at this time of year. It is a signal that fruits and vegetables are in glut; in England the preserving season is with us again.

Jams, jellies and chutneys gloriously redolent of summer sunshine will of course bring comfort and cheer to the long, dark night of winter.

But when days are hot and sunny who wants to be stuck in a steamy kitchen for hours, arms aching from chopping and stirring.

I am keen to get the job over and done with as soon as I decently can. Just one serious preserve, plus a token effort or two, is enough to assuage my folkloric need to put something by in the larder for the leaner times that may lie ahead.

Having already made several

kilos of morello jam (and given the recipe in this column), I shall limit myself now to just two quick and easy confections - one genuine pickle and one ersatz chutney. Fingers crossed, the making of neither is likely to attract much attention from wasps.

There is of course an easier way to escape kitchen work yet succeed in squirrelling away a few choice summer treats for winter eating - acquire the fruits of someone else's labours. None better, none more *à la mode* than chef Bruno Loubet, who is renowned for marrying unexpected ingredients.

Loubet has just launched his own collection of preserves, available exclusively from L'Odeon, his restaurant in Regent Street, London.

The first offerings include peach and hazel jam, blackberry and liquorice jam, oriental relish

and olive oils flavoured with lobster or with roast garlic and rosemary. Other sizzling combinations will follow in the autumn.

**SWEET PICKLED PRUNES**

I wrote recently that these are just right to partner potted eel with parsley salad. They go well, too, with rilletes and game terrine, and can be added to pies and stews, as an alternative to olives or pickled walnuts, for final savour just before serving.

Slip them under the potato layers of a lamb hotpot, tuck them under the snetcrust lid of a pigeon pudding, or drop them into a soup-cum-stew made with chicken, leeks, carrots and summer wheat for an update on cock-a-leekie.

Last but not least, sweet pickled prunes make admirable companions for cold goose, turkey,

tongue and other Christmas meats. The statutory waiting period between making and eating chutneys and pickles is one month. Three months is preferable, a year is better still, but I can vouch for the fact that these prunes eat well after as little as a week.

1kg ready-to-cook Agen prunes (the larger and fatter the better); 600ml cider vinegar; 500g pale

muscavado sugar; 2-3 cinnamon sticks, lightly bruised; 2 tbsps coriander seeds, lightly bruised; a couple of long curls of orange peel, pared so thinly that only the zest and none of the bitter white pith is included.

Soak the prunes in plenty of cold water for 3-4 hours, turning them gently from time to time, until completely soft. Meanwhile, put the cinnamon, coriander, orange, sugar and vinegar into a large pan and stir over a low flame. When the sugar is fully dissolved, bring to the boil and simmer for 10 minutes or until reduced to 600ml. Cover and set aside until cold.

Thoroughly drain the prunes and put them into a pan. Reheat the sweet spicy vinegar, pour it over the prunes, bring back to the boil and remove from the heat. Spoon the prunes into warm, sterilised jars, pour the vinegar over them and immerse

completely (including or straining off the spices and orange zest, as you wish). Tie down and label in the usual way.

**AUBERGINE AND RAISIN CHUTNEY**

This is not a traditional slow-cooked preserve for the larder. It is a chutney in the modern sense, in other words a medley of diced vegetables sautéed with spices, sweetener and vinegar, served hot, straight from the pan, as a flavoursome vegetable-cum-relish.

Conjured up in next to no time, this goes well with such meats as neck fillet of lamb, grilled, carved in thick slices and laid on a bed of cous-cous.

2 small aubergines; 60g raisins; 2 large onions; 6 tbsps olive oil; 2 tbsps balsamic vinegar; cummin seed; fresh mint; a pinch of chilli powder (optional).

Drizzle the balsamic vinegar

with 4 tbsps boiling water, stir in the raisins and leave to soak for 10 minutes or so. Meanwhile, chop the onion roughly; peel and dice the aubergines; toast and crush some of cummin seed (½ tsp or more, depending on your liking for the spice); and chop 2-3 tbsps of mint.

Thoroughly heat a large sauté pan. Add the oil and let it sizzle. Add the onions and fry for a minute or so. Add the aubergines and continue frying, stirring often, using high heat at first to frazzle the vegetables at the edges, then more gently until everything is cooked through. The whole operation should take no more than 6 to 7 minutes.

Add the raisins and their liquor to the pan. Let the liquid bubble up and evaporate; then season with salt, cummin, maybe a pinch of chilli, and fresh chopped mint.



Ernest Wagstaff, Colston Bassett's dairy manager, inspects his cheese

Giles MacDonogh bemoans the passing of unpasteurised cheeses and samples some of England's very finest Stilton

**I** remember it as if it were yesterday: the listeria crisis of 1988-89. In a matter of weeks Britain was deprived of some of its best farmhouse cheeses when the supermarkets made over-hasty decisions to stop buying unpasteurised milk products.

Eleven out of 12 farmhouse Cheshire producers, for example, began pasteurising their milk leaving just one, Lance Appleby, to fly the flag for proper Cheshire cheese.

No proven connection was established between listeriosis and unpasteurised cheese. In most cases, pasteurised cheeses were found to be at fault, particularly industrially produced soft cheeses earmarked for long shelf-lives in supermarket cabinets.

The greatest damage was done to old-fashioned, unpasteurised, hard farmhouse cheeses, especially when they were selling their entire production to one or other of the supermarkets.

Strangely enough, the new-style, experimental, cheeses (which were soft, or semi-soft) survived, probably because they were not sold by the windy multiples, but by specialised cheese shops.

At Colston Bassett, in Nottinghamshire, the greatest of all Stilton cheeses was still unpasteurised as late as 1988. However, that winter three people who became ill pointed the finger at Colston Bassett Stilton.

It was a time when a lot of people were behaving in a hysterical way about cheese. Tests were carried out but nowhere could any substantial amounts of toxin be found, certainly not enough to account for the sickness. It was Christmas time, but the hard decision was taken to destroy the total stock of cheese.

Colston Bassett was given the go-ahead to restart production with unpasteurised milk, but the crisis in the cheese dairies was still claiming victims: they



Ernest Wagstaff, Colston Bassett's dairy manager, inspects his cheese

Neil Orchard/Photography

Say Stilton cheese, please

played safe and installed a pasteurisation unit. Unpasteurised Stilton was no more.

They are still sensitive about the story at the Colston Bassett dairy. Ernest Wagstaff, the manager, has difficulty talking about the crisis, but he has become reconciled to the new, pasteurised cheese and says the curd is just as good.

The only difference, he says, is that the cheeses do not last as long, and they seem to be ready earlier. The average Colston Bassett Stilton is now 10 weeks old. In the past it was 12. They also tend to dry out a bit more quickly.

Richard Rowlett, his assistant, points out that unpasteurised Stilton is no longer

an option: they now have a trade mark, not to mention an European Union PDO, which is similar to an *appellation contrôlée* mark. Neither admits to the possibility of unpasteurised Stilton. But to say that a cheese with a 300-year history must be pasteurised because of a decision taken less than a decade ago is to ignore the nature of the cheese which brought it fame in the first place.

Since the end of the listeria crisis a few cheese producers have gone back to making some unpasteurised cheese, taking, for example, a whole day's milk and using it raw.

Even if the Stilton Cheese Makers Association had not voted to outlaw unpasteu-

rated cheese, this would not be an option at Colston Bassett: the premises are too small, producing only around 90 cheeses a day. In order to prevent the unpasteurised cheeses communicating their bacteria to the pasteurised ones, they would need to build a special new room.

I have dwelt on pasteurisation because I believe that there are no "great" pasteurised cheeses. You may get many beta plus cheeses with pasteurised milk, and fewer gamma minus, but you do not get the alphas which resulted from the more capricious nature and subtler flavour of raw milk.

Richard Rowlett reluc-

tantly agrees. Another of the Stilton dairies carried out some trials, but abandoned production once they saw that there was far greater inconsistency in the quality of the raw milk cheeses.

I shall stop belly-aching about pasteurisation. Colston Bassett Stilton is still a wonderful cheese, and the consistent first choice of the experts. You will get no funny little pots of unripe Stilton there, something to fester alongside a bottle of port under the Christmas tree, just proper truckles. The general view is that you are better off with a big chunk of the 7.5kg one, than with the 2.5kg size.

Stilton producers have been desperate to get away from the Christmas image.

They have come to the sensible conclusion that if they could get people to eat it even twice a year then they might double their sales. An advertising campaign has been hired, and now travellers on London Underground can see a woman in a swimming costume eating Stilton, or another pouting sophisticate telling us that she likes it with a glass of Chablis.

Chablis and Stilton must be just about the worst combination of wine and food imaginable, certainly if you want to taste the Chablis; but I can see their point.

There is no earthly reason to confine Stilton consumption to the Christmas holiday. Providing you drink sweet wine with it, Stilton

makes a perfect light lunch with bread or biscuits at any time of year.

For Stilton to launch an aggressive campaign is a sign that the insecurity has passed. People are hysterical about meat these days, not cheese.

A walk around the traditional maturing rooms at Colston Bassett is a reassuring sight: apart from that small pasteurising unit by the door, nothing else looks as if it has changed, and the truckles on their slatted shelves look every bit as tempting as they always did.

Colston Bassett Stiltons are available from specialist cheese shops only, or direct from the dairy (tel: 01949-81322), which will organise delivery.

Appetisers Prices rise at auction

**B**oth the two big London wine auctioneers, Christie's and Sotheby's, have had record results in the 1995-96 season which ended last month. But the sharp rise in prices has caused vendors to open their cellar doors and sell at good profits.

Christie's 49 worldwide sales total £16.85m, including 10 per cent buyers' premium in 1995-96, compared with £11.05m in 1994-95 - a rise of 52 per cent. More significant, the fine wine sales in King Street, London, rose from £3.07m last year to £5.35m this year - up 60 per cent. These have included one one-vendor sales.

Sotheby's more modest 15 sales have increased from £2.87m, also including buyers' premium in 1994-95, to £2.58m in 1995-96.

Many of the high prices for rarities were startling. Christie's sold a case of Chateau Petrus 1945 for £27,500 and one of Ch. Cheval Blanc '47 for £28,000. A Jeroboam, which equals eight bottles, of Ch. Mouton Rothschild '45 fetched £29,700. The late Baron Philippe de Rothschild predicted that his '45 would reach its peak in the coming century, and this seems more than probable. A single bottle of Ch d'Yquem 1847 made £9,900.

Sotheby's top figures were the highest for a single lot at auction: £148,000 for seven magnums of Romanée-Conti 1985, as against a previous top price of £100,000. A case of Ch Mouton Rothschild '45 was £22,000, and three separate cases of Le Pin 1983 fetched £12,000 apiece.

Prospects for the coming season, which opens next month, are promising, and Christie's already has a single-vendor sale in train. Edmund Penning-Rouseill

**T**he first time I was at an English friend's house I was faced with a cous-cous salad garnished with a smattering of chopped tomatoes, onion and cucumber and a few specks of parsley.

I was too embarrassed to say that the *tabboulé* I knew, and made, was quite different: a luscious green salad made with finely chopped parsley and mint, tomatoes, spring onions and a minimal amount of burghul (cracked wheat).

The salad I was about to eat was closer to the Turkish *kissir*, a golden mixture made with burghul, chopped

The secret of making authentic tabboulé

Anissa Helou recalls the classic dish which she enjoyed in Lebanon

tomatoes, onion, green peppers and very little parsley.

*Tabboulé* is one of the most popular, if one of the most misinterpreted, salads in the western culinary repertoire. It is on the menus of trendy modern British restaurants. Included in chefs' books, sold in sandwich bars and marketed by food manufacturers as a ready-to-mix preparation; although invariably that which is served as *tabboulé* bears little resemblance to its Lebanese namesake.

The western version is primarily a burghul salad garnished with a choice of ingredients ranging from the traditional parsley, mint, tomato and onion to unorthodox ones such as coriander, cucumber, cooked peas, carrots and broad beans to name but a few.

It seems that *tabboulé* has become the generic term to describe any type of burghul-based salad.

I suspect the confusion

between the two recipes must have arisen in the 1960s, when the trend for healthy food, and thus Mediterranean cookery, started. A cookery writer must have introduced a recipe for *kissir* and named it *tabboulé* by mistake. The error has stuck.

Here are two classic recipes for *tabboulé* and *kissir*. As you will see, the ratio of burghul to the other ingredients differs from one recipe to the other. Neither the Lebanese nor the Turks use cous-cous. They both use fine burghul (or *bulgur* as the Turks call it).

I prefer to use brown burghul which I find in Lebanese shops but you can use the light golden one which is sold in Greek, Cypriot or Turkish shops with equally good results.

I do not recommend the coarse burghul which you find in supermarkets and health food shops. The grain is too coarse and will

not have the right bite.

**TABBOULE**

(serves four to six)

30g fine burghul; 600g firm ripe tomatoes, diced into 5mm cubes; ¼ bunch spring onions, (about 50g), trimmed and very thinly sliced; two bunches flat-leaved parsley (400g on the stalk), very finely chopped; ½ bunch mint (70g); ¼ tsp ground cinnamon; ¼ tsp ground allspice; ¼ tsp finely ground black pepper; salt to taste; 150ml extra virgin olive oil; four gem lemons, washed, dried and quartered (or fresh tender vine leaves or white cabbage leaves, washed and dried).

The secret of an excellent *tabboulé* lies in the way you chop the herbs. Chop them using a razor-sharp knife to produce the required thin, crisp slivers of parsley and mint.

Rinse the burghul in cold water, drain well and put

in a salad bowl large enough to mix the *tabboulé* in.

The most efficient way to dice the tomatoes into small cubes is to cut them in thin slices, about 5mm thick. Place these, in a pile of two

Use lettuce, vine or white cabbage leaves to scoop up the salad

or three, on your chopping board and cut them into strips of the same thickness, then cut across the strips to produce cubes about 5mm square. Spread the diced tomatoes and their juice over the burghul, then add the sliced onions.

Wash and dry the parsley. Gather a handful of parsley sprigs in a neat bunch and

lay them on your chopping board. Hold the bunch, with the leaves under your palm and cut off and discard most of the stalks, leaving a length of about 2cm. Start chopping the parsley, from the stalk end, as if you were slicing it, as thinly as possible, in strips 1mm to 2mm wide. Put the chopped parsley over the spring onions, looking out for big pieces, if there are any, take them out and chop them finely.

Strip the mint leaves off the stalks, bunch them as thinly as the parsley. Add the chopped mint to the parsley, cover with a clean kitchen towel and leave for about half an hour for the burghul to absorb the tomato juices and soften.

Season the *tabboulé* with the cinnamon, allspice, pepper and salt to taste, pour in the lemon juice and olive oil and mix well together. Taste, adjust seasoning if necessary, and serve immediately.

*Tabboulé* is normally eaten with either lettuce, fresh vine or white cabbage leaves. Use the leaf of your choice, as if it were a piece of bread, to scoop up the salad.

**KISSIR**

(serves four to six)

150g finely ground burghul; 150ml boiling water; 100g onions, finely chopped; 400g firm ripe tomatoes, deseeded and diced in 1cm square cubes; 50g green peppers, deseeded and diced like the tomatoes; 3 tbsps extra virgin olive oil; ¼ tsp cayenne pepper; ¼ tsp paprika; 1 tsp pomegranate syrup, or 2 tbsps lemon juice; salt to taste.

This recipe for *kissir* is from Nevin Halici's *Turkish Cookbook* (Dorling Kindersley, £14.95). I normally dress it with pomegranate syrup, which is the hotted-down juice of sour pomegranates, to give it a delicate sweet-sour taste. You can buy

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FASHION / HOW TO SPEND IT

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# Sexy, sophisticated second time around

Belinda Morris says the older bride should look elegant in plain pastels and crêpe rather than pretty in pink or white silk

It is possible that love may be sweeter the second time around, but what about the formalities? Is a wedding any less nerve-racking for having gone through it all before? Do age and wisdom harmonise to create a stress-free day? And, above all, is it any easier, with hindsight and good taste, to find the perfect frock?

The answer to all these questions is invariably "no", especially if the blushing bride is of an age usually associated with mother-of-the-bride.

Hundreds of mostly unpublished letters to women's magazines are testimony to the agonies of indecision suffered by the second-time bride-to-be.

On the one hand there is a natural desire to make it a special occasion, especially if it is a religious ceremony. On the other, fears of looking like "mutton" and images of Barbara Cartland, radiant in candy pink tulle, hover in the over-wrought imagination.

The prospect of friends and loved ones, for years to come, tutting over the wedding snaps, commenting on the unsuitably youthful ivory slipper satin, can force many a normally hip, whistle-wearing older woman into early Country Casuals. "Heaven forbid," says Gabriella Di Nora, head of personal shopping at Selfridges, who regularly steers the older bride, gently but firmly, away from the safe and stuffy, towards the sexy and sophisticated.

"Many women come in with the idea that their outfit should be practical. Well, that should go out the win-

dow straight away, or why bother at all? It shouldn't be something that can be worn for the office afterwards - it should be something that makes a woman feel 100 per cent. Besides, there will always be some special occasion in the future that the good, snappy suit or dress and coat, can be worn for."

Di Nora acknowledges that the second-time bride has

**'For anyone with difficult feet I would advise having a special pair made for The Day'**

exclusive problems. "I've seen women pulled in so many different ways by the people around them," she says.

"She probably has grown-up children who might be embarrassed by what she chooses to wear; she may want to create a good impression on his children. Then, of course, there's the new husband himself and his image of her. The woman can become a victim in a tug of wills.

"If there is a rule," says Di Nora, "it's that a woman should never steer away from her inner self, should never lose contact with her own character."

"If you don't normally wear fitted, slinky dresses, don't wear one on The Day -

you'll feel uncomfortable. If you're naturally thin, don't choose the most flamboyant accessories that will simply overshadow you and probably frighten your intended, who's probably never seen you like that before." Advice and guidance are fine, she says, but they should be tailored to the woman, to suit her true self.

This would apply to colour, fabric and style of outfit. The personal shopping team would discourage white and suggest instead warmer, more flattering tones such as cream, gold, bronze or even off-white.

Rita Britten, owner and buyer at Pollyanna in Barnsley, guides her 50-something customers towards muted pastels like ice blue, pearl and lavender by Jill Sander and Jean Muir. Her quirkier dressers choose Miyake's Pleats Please ankle-length coats and dresses or Comme des Garçons' understated tailoring.

Although Susie Faux wore a dress for her second wedding 18 years ago, she would now advise customers of her shops and consultancy, Wardrobe, to choose a light-coloured suit for the occasion.

"I think the look for the older bride should be glamorous rather than pretty, sexy but decorous," she says. The most important criteria are a good cut, beautiful fabric - a fine wool crêpe perhaps, rather than bridal silk - and a solid colour rather than a busy print. More, rather than less, can look messy.

Like Di Nora, Faux would counsel a second-time bride to identify her own style rather than copy a young

bride. "It's worth remembering that something that makes a young woman look younger, often makes an older woman look older," she cautions. She would therefore recommend smaller, expensive pieces of jewellery instead of larger, flashy items; a neat, classy bouquet rather than a large, showy one and a hat, not a veil.

And since the older woman's "dées noires" tend to be her skin from chest to bust and her upper arms, Faux would suggest a wide scoop, not V-necklines, and a suit that works best with the jacket left on.

"It's so important that the older woman looks elegant and so details such as a decent manicure, facial and hair cut can really help," she says. "And shoes also shouldn't be overlooked; the wrong ones can make a suit look dowdy. But they should also be comfortable, if not it will show in her face. For anyone with difficult feet I would advise having a special pair made for the day."

The trick is to feel special. Faux remembers that at her first wedding she was the centre of attention, but "at the second I seemed to come way down on the list of priorities. I was too busy worrying about my other responsibilities, like whether my sons looked smart, my by-now-older parents were well-looked after and the dog was catered for."

"We're very aware of going through and the attention to detail that will make her feel her best. If she knows that she looks wonderful she will have the confidence she needs for the occasion."



(Top: left to right)   
 □ Fine wool jacket with detachable satin collar, £499, and matching knee-length skirt, £159, by Cerruti 1881, 106 New Bond Street, London W1 (0171-495 5880).

□ Fine wool double-breasted jacket with matching knee-length pencil skirt, £1,060, by Max Mara at Wardrobe, 42 Conduit Street, London W1 (0171-494 1131). Silk chiffon scarf, £99, by Calver and Wilson, Harrods, Knightsbridge, London SW1 (0171-284 2535). Straw hat with straw ruffles, £109, by Anne-Marie at Kangol, from John Lewis, Oxford Street, London W1, and selected stores (0171-487 4888).

□ Crushed satin sleeveless shift dress, £250, and matching coat, £355, by John Rocha from Liberty, London W1, and Harvey Nichols, London SW1 (0171-734 0123).

Pleated silk hat, £115, by Stephen Jones, 36 Great Queen Street, London WC2 (0171-242 0770), and Harvey Nichols, London SW1. Ostrich print leather handbag, £95, by Osprey, 11 St Christopher's Place, London W1 (0171-935 2824). Printed lace shawl, £450, Georgina von Etzdorf, 50 Burlington Arcade, London W1 (0171-409 7789), and Liberty, London W1.

□ Pure wool crêpe sleeveless shift dress and matching coat, £299, by Maska from Wardrobe, 42 Conduit Street, London W1 (0171-494 1131). Straw hat with feathers, £99, by Graham Smith at Kangol from John Lewis, Oxford Street, London W1 and selected stores (0171-487 4888).

Silk stole, £175, by Calver and Wilson, from Tom Footley, 85 Fortis Green Road, London N10, and Judi Ltd, Belfast (inquiries and mail order 0171-724 6771).

(Bottom: left to right)   
 □ Rayon/silk dress and tunic, £364, silk satin pants, £195, and silk slip, £117, all by English Eccentrics, Harrods, Knightsbridge. Pearl and diamond earrings, from David Morris, Conduit Street, London W1 (0171-499 2200).

□ Acetate/rayon pinstripe one-button jacket, £485, matching waistcoat, £210, and classic trousers with turn-ups, £225, by Pearce Florida, from Liberty, London W1 and Harrods, London SW1 (inquiries 0171-734 0123). Pearlised slingback shoes, £79.99, by Russell & Bromley (0171-499 2621). Necklaces and ring by Ven Cleef and Arpels at Harrods (inquiries as before).

Philip North-Coombes Styling.....Belinda Morris Hair.....Chaplin at Anthony Yacovine Make-up.....Monique

If you have ever studied the Innovations catalogues that fall out of the Sunday papers, you must have wondered what on earth possessed anyone to invent the world's smallest umbrella, a whistling key-ring or a nose-hair trimmer.

But what about a gadget that makes it possible for bad back sufferers to pick something up off the floor, or help someone unsteady on their feet to take a bath in safety? They all feature in a catalogue which is doing a healthy trade in products, large and small, and which aims to solve problems.

Last October, Boots entered the world of aids for disabled and elderly people with its "Active and Independent" mail order service. For £1, you can buy from any Boots branch a richly illustrated 84-page brochure devoted to products that make life easier for those who might otherwise not be able to lift, grip, stand, walk, shop, or even get out of bed without effort.

Boots is among a handful of specialist firms offering everything from tap-turners for people with weak hands to powered wheelchairs. More than 6m adults in

## Just what you've always wanted

Judith Gubbay discovers some really useful gadgets to solve some really niggling problems

Britain have at least one disability, nearly half of them are in that ever-expanding over-70s age group. Boots see its service as addressing a real need, "not just for the permanently disabled, but for the elderly, carers and those people who find certain everyday tasks difficult, regardless of physical health or age."

Best-selling products so far include a tablet organiser, a cup with two handles, gadgets to help with putting on tights and stockings, and a "helping hand" for picking up things that would otherwise be out of reach.

John Darbyshire of Liverpool uses a "reacher". At 57, he suffers from arthritis in his neck, shoulders and arms, and he owns various aids, bought over the years from the Chester Care catalogue.

"My reacher folds up like a concertina, so you can put it in your pocket. It's very handy in the supermarket, too, to take things off the top shelves," he says.

Below are just some of the new products now available.

■ Easygrip jar opener, irremovable rest wash tray, rope ladder, bed, toilet, gardening tool sets, and kettle fingers from Boots.

■ Supergrain bendable knives, forks and spoons, £8.95 each. The cutlery have flat handles that can be bent into the shape that is most comfortable to hold - a new product from Chester Care.

■ Smith & Nephew Homecare, Tel: 01823 754747.

■ Martin Bathing - a light, compact piece of battery-operated equipment that allows you to get in and out of the bath without effort.

■ Luxy Tonge - a concertina-style reacher, £9.19, available from Chester Care Tel: 01823-757955

■ Four-wheeled "Liberator" shopping trolley with a seat. Fica volunteers found this product ideal for anyone who usually walks with a stick and needs to take a rest from time to time. Available from J & C R Wood Tel: 01482-351 915.

■ Rise easy - a neat solution for people who cannot get out of bed (or out of a chair) easily - single bed version £85 from the Ways and Means catalogue. Tel: 0115-945 2845

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information about how to get them. Available from Rica, 2 Morylebone Road, London NW1 4DF, free with an A5 stamped, self-addressed envelope.

■ Disabled Living Centres Council, Tel: 0171-520 6567 for the address of your nearest DLC showroom.

■ Keep Able, Tel: 01933 679 426 for a catalogue or the address of your nearest store.

■ Nottingham Rehab Tel: 0115-945 2345 for Ways and Means catalogue.

■ Chester Care Tel: 01623-757955 for catalogue.

Some of the products in the catalogues are also available in department stores and elsewhere - kneeling stools and other items designed for gardeners, for instance.

Among the products Rica "guinea-pigs" tried out and liked were a mini-jug kettle that was lighter to lift than usual and a cooking basket like a chip basket that saves having to lift a saucepan of water when taking cooked vegetable out of the pan.

Equipment for on Easier Life, a 16-page booklet, shows the kinds of aids its elderly and disabled volunteers have found worthwhile, and gives

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**F**elix who? Well might you ask. It is all rather embarrassing really because I have never seen him play. Come to think of it, I have never even seen him. At least, I do not think I have but it is rather difficult to know because the biography of Felix Mantilla in the ATP Tour media guide is the only one without a photo.

What I can tell you is that Felix comes from Barcelona, that he will be 33 next month, that he is 5ft 10in tall, weighs 163lb and has suddenly appeared at No 15 on the ranking list, a rise of 68 places since the start of the year.

I can even tell you how he did it. Mantilla, who says clay is his favourite surface, won the Oporto tournament in the spring and has appeared in three other clay court finals. His only Grand Slam appearance has been at this year's French Open where he lost in the second round to Yevgeny Kafelnikov...but then so did everybody else...and Wimbledon, where he lost in the first round to Paul Haarhuis.

I can also tell you that Felix is pretty mad. Hoping mad, in fact. Why? Well, in spite of his ranking, he is not seeded at the \$10.9m US Open which begins at Flushing Meadows, New York, on Monday with equal prize money for men and women (the only Grand slam to offer equality).

For the first time in my recollection the United States Tennis Association have had the courage - sorry Felix - the temerity, to stray from the men's ranking list in allocating the 16 seeding places. Like all the Grand Slams, they are entitled to do this but they might have spared a thought for Felix who finds himself in Andre Agassi's quarter of the draw with a first-round match against South Africa's Marcos Ondruska.

How would you feel? Probably the same as Richard Krajcek felt at Wimbledon when they ignored his ranking of 13 and left him out of the original seeding list. Remember what happened? The Dutchman spread egg over a lot of faces.

On known form, the USTA should not suffer the same fate. But you never know. Uppances have a nasty habit of coming when you least expect them. Other changes



Lindsay Davenport revealed a new belief in her ability to sustain rallies at breakneck speed without breaking down

US Open tennis / John Barrett

Felix: just not a cool cat

will raise eyebrows too. Michael Chang, ranked a career-high No 3 after winning tournaments in Washington and Los Angeles, has been promoted to No 2 behind Pete Sampras, the holder, at Thomas Muster's expense - the Austrian will not like that.

In spite of a season of failure (his dismal showing at the Olympic Games was a disgrace), Goran Ivanisevic, 6th in the rankings, has been raised to No 4, while fourth-ranked Yevgeny Kafelnikov, the French Open champion, is demoted to No 7 below Krajcek (5) and Andre Agassi (6). All this may be irrelevant if Kafelnikov's rib injury makes him a non-starter, as seems likely.

Another non-starter is fifth-ranked Boris Becker, not yet recovered from a wrist injury sustained at Wimbledon. A pity because

Becker has recovered his zest for competition. Sampras and Agassi, last year's finalists, find themselves in opposite halves again. They will both appreciate that.

Agassi will have to button his mouth now the umpires have plucked up enough courage to do what they should have done long ago. The new Olympic champion was lucky not to have been defaulted against Wayne Ferreira in Atlanta and was on the brink again in Cincinnati before the axe fell last week in Indianapolis.

He could play the Wimbledon final at Mal Washington in the fourth round, with Thomas Enqvist (13) or Thomas Muster (3) as a likely quarter final opponent. All of this will be a test of Agassi's character. Let's hope the hutton holds.

The two direct British entries, Tim Henman and Greg Rusedski, both have reasonable draws. Henman faces the former champion Mats Wilander, who is past his sell-by date, and, if successful, would play either Doug Flach or a qualifier and then Todd Martin (14).

**R**usedski meets Germany's Hendrik Dreekman, ranked 55, for the right to play either Rocco Pietrangeli or the outstanding young Swede, Thomas Johansson.

The women's seeds follow the rankings precisely and the draw has thrown both Arantxa Sanchez Vicario (3) and Jana Novotna (7) in the top half with defending champion Steffi Graf (1). However, Graf will play only one of them, provided, of course she survives the challenges from the much-

improved Ai Sugiyama of Japan, Barbara Paulus of Austria (14) and either Mary Joe Fernandez (9) or Iva Majoli (5).

If Monica Seles (2) is to get to the final again as she did last year the naturalised American will have to be fitter than she was in Atlanta. There she was too slow to counter the attacking game of Jana Novotna.

This may be the year when the talented American Lindsay Davenport comes of age. Seeded No 8, she has an ideal draw with Conchita Martinez (4) as her prospective quarter-final opponent.

Davenport's victory over Sanchez Vicario in the Olympic final revealed a new belief in her ability to sustain rallies at breakneck speed - without breaking down - always her weakness in the past.

Davenport is a new potent force in the game. She has shed a few pounds and is much faster to the ball. This, together with the knowledge that her powerful groundstrokes can blast holes in the finest defences, has done wonders for her morale. Ask Graf. The German was Davenport's victim in Manhattan Beach last week, a 6-3 6-3 semi-final success for the American that was followed by a 6-2 6-5 win over Anke Huber in the final.

The other greatly improved player is the patently Japanese No 1, Kimiko Date (10), one of the three players who have beaten Graf this year. She should play Huber for the right to challenge Seles and might emerge in the semi-finals to face Davenport.

How good it is to see new faces appearing on the scene - even if I do not recognise them all. Sorry Felix.

Cricket / John Perlman

The future looks bright with youth

**T**est cricket in the year 2002. At the Wanderers in Johannesburg, South African left-bander Ryan Sierra - having stroked his way to a stylish 50 - allows himself a little smile of recognition as the Pakistani captain tosses the ball to leg-spinner Imran Qadir, then concentrates hard on the exacting examination he knows is to come.

An ocean away, John Francis of England and Hampshire looks down the pitch at Calcutta's Eden Gardens, as India's vice-captain, Reetinder Sodhi - the brilliant all-rounder they call the new Kapil Dev - turns and begins his race to the wicket.

These four young cricketers were among the best performers at the Lombard World Challenge, a 10-country tournament which most people referred to as the under-15 World Cup. The first competition of this kind, it ended at Lord's on Tuesday with India beating Pakistan in an absorbing final. England, who lost to Pakistan, and South Africa, edged out in a thriller by India, were the beaten semi-finalists.

Part of the fun for those who watched the matches live - there were 8,000 at Lord's - or saw Sky's ball-by-ball coverage from the semi-final stage, has been to play the crystal ball game. Cricket lovers who saw Graham Thorpe play for England under-15 in 1984, or watched Michael Atherton make runs for an English school XI a year earlier, will always be able to say they saw them first.

Most observers were amazed at the past fortnight's standard of play. "The maturity and ability of the players has been way beyond my expectations," said former England and Kent all-rounder Bob Woolmer, now coach of South Africa, who was especially pleased at the quality of the spin bowling.

The tournament gave the young players an early taste of the ever-changing challenge that is top-level international cricket. "In this type of competition you face different types of bowlers, different atmospheres and different wickets," said Agha Zahid, the Pakistan coach. "These boys are at a stage where they learn very quickly and what they learn here will last forever."

But it should also have given coaches and administrators fresh ideas about how best to fulfil all this youthful promise. In putting together their 14-player squads, each country had difficulties to overcome.

In Pakistan, Zahid says, schools cricket is poorly resourced and hard to organise. One of England's concerns is to get more youngsters playing the game, especially in the cities - an inaugural Inner Cities Cup for under-16s, played at Arundel earlier this month, is a positive step.

Most countries held regional and national trials to choose their squads, but the Indians took a further step. After scrutinising boys over two years at the annual School Games Cricket week, they also ran a week of "open trials" for youngsters from less organised regions. Four of the boys who played in the final emerged

through that process - including 13-year-old off-spinner Rajiv Jolly. Coach Sarfaraz Talwar believes three will play first-class cricket within a year.

The Indian captain, Reetinder Sodhi, was probably the tournament's outstanding player. An intelligent seam bowler, his 3-24 in the final made him the tournament's leading wicket-taker and an unbeaten 82 in India's knock steered his team to victory.

Talwar says the attitudes that welcomed Sachin Tendulkar into the Test arena at 16 should have Sodhi playing at that level before too long. "Whenever a boy is ready and mature enough, age is no barrier," he says. "Our tendency is to get them young. It is an Indian tradition."

But whereas everyone agreed that "good enough should be old enough", the road from brilliant under-15 in 1996 to Test cricketer by 2002 is going to vary from country to country. Zahid says four of his young Pakistanis - including batsman Faisal Iqbal, who is Javed Miandad's nephew - should be close to national squad selection in four years time.

**I think the national interest must come first and more people are seeing it that way**

On his return, though, Zahid plans to renew his plea for the top levels of the junior game to be brought under the control of the national cricket board. Moves in that direction have already been made in South Africa, where Woolmer sits on committees concerned with schools cricket and development.

"There is a lot of feedback from the junior level to the senior level," he says. "All these players are discussed at length and we hope not to lose them. I think the national interest must come first and more and more people are seeing it that way."

In English cricket, which is grappling with unifying its structures, David Lloyd, Woolmer's counterpart, does not seem to have any comparable influence. But Gordon Lord, England's under-15 coach, believes there is a momentum for improvement in the English game, "which is reflected in the growing number of younger players playing first class cricket".

Some question whether those youngsters should miss domestic games to play at age-level internationals, but Lord insists that both are important, and points out that what his players learned by facing Pakistan's Qadir could not be learned in normal fixtures.

"Nowhere in this country would you encounter a leg spinner turning the ball in that way," he says, adding that the tournament has given the English players "an insight into competition that some of them would have had to wait a great many years to see".

US college sport / Michael Carlson

Less a question of degree

**T**he gridiron season is about to begin in the US, with both the professional National Football League and the nominally amateur colleges pushing the autumn sport well into summer.

The NFL, as well as basketball's NBA, rely on the colleges to provide their talent, and hold annual drafts of college stars. But besides feeding players to the professional ranks, top US college sports are big attractions themselves.

Gridiron has always been the big college game. In fact, until television brought the NFL into the big time in the early 1960s, college football's big Saturday rivalries (Army-Navy, Ohio State-Michigan, even Yale-Harvard) and post-season Bowl games were the equivalent of rugby's Five Nations tournament, while the NFL was America's Sunday version of the pre-Murdoch rugby league.

American education reached out to the masses a long time before anyone thought of doing it in the UK. New state colleges saw sport, particularly football, as a means to renown and

respectability. Football attracted press attention, big local followings and made money. Winning teams also loosened alumni cheque-books.

In the 1920s, many football players earned a living moving from college to college, often playing under assumed names and collecting under-the-table payments. George Gipp of Notre Dame, portrayed on film by Ronald Reagan, was one. Pay is never mentioned in his famous deathbed scene with coach Knute Rockne (played by Pat O'Brien) - nor is the fact that Gipp caught pneumonia after passing out drunk in a South Bend, Indiana, bizzard.

The postwar boom in education, and the G.I. Bill, made some form of college available to 60 per cent of high school graduates - and all those colleges wanted to win and make money. The National Collegiate Athletic Association was formed to police college sport.

Nowadays, that policing is aimed at maintaining for its members the huge flow of profits from television and sponsorship deals while also ensuring they do not have to

pay the "student" athletes. As tradition is sacrificed to profit, it is not surprising the players think increasingly like professionals.

"Colleges are smart," basketball great Bill Russell once said. "They don't keep anyone around long enough to pay them big money."

Disgracefully few athletes actually finish college. Although there are strict academic rules, players are kept eligible for continued attendance through easy courses, nebulous summer school credits and, often, through outright fraud. In this way, they can spend up to five years at college.

Unlike English universities, however, graduate students and teaching assistants are not eligible for college sport. Rowing for Oxford in eight straight boat races is a feat unmatched even in the US.

Last year's college gridiron champions, Nebraska, graduated 53 per cent of their players, which is not far below the rate for all entering students. Yet, while most athletes do not drop out, they still do not get a diploma. Only 40 per cent of

Nebraska's black players graduate - and nearly a third of Nebraska's black students are there on athletic scholarships.

Then there are the non-sporting activities. Lawrence Phillips, Nebraska's star running back, was a top NFL draft pick; he is on probation for beating his former girlfriend. Eight other Nebraska players have police histories. Nationally, they are far from alone.

There are exceptions to the lack of academic achievement. Dallas Cowboys' star Emmitt Smith promised his mother he would get his degree when he left college early to sign professionally. He duly received one - in public recreation - in May.

Graduating does not always make a difference, anyway. Quarterback Bernie Kosar, who led Miami to a national collegiate title, finished his degree before he was left college early to sign professionally. He duly received one - in public recreation - in May.

Guess which one is in the Miami University hall of fame?



Lawrence Phillips, Nebraska's star running back

Motoring / Stuart Marshall

The case for restraining children

**C**hild murder makes big headlines; avoidable child deaths or serious injuries in road accidents do not, unless several are killed in a single crash.

Britain has a much better road safety record than most. Last year's 3,621 road deaths were the lowest since records began in 1926 when one-tenth the number of cars killed twice as many people. Drink driving continues on a

downward trend. Death and injury caused by road rage attacks horrify us but are so few and far between as to be statistically irrelevant. We could, though, do better, especially in protecting children.

The good news is that 4 per cent fewer children were killed or seriously injured on British roads last year than in 1994. The bad news is that preventable deaths continue. Many would have survived, or escaped injury, if the adults driving had been more responsible.

The law says, in effect, that all babies and young children must be properly restrained, which means strapping them into a safety

seat or on to a booster cushion. Remarkably, it is still legal to carry children unrestrained and unprotected in the backs of cars manufactured before 1978, when fitting rear seat belt attachment points became compulsory.

Last year, more than one child passenger died each week in a car crash and more than 1,000 were badly injured. Children under four are 10 times more likely to be killed if unrestrained, even in very low speed (under 8kph/5mph) collisions. Ninety per cent of all injuries could probably be avoided if child restraints were used properly.

Regrettably, they are not. A recent survey found that

up to one in five children travelling in cars is either completely unrestrained or in the wrong kind of seat for their age and weight.

School runs are particularly dangerous. Nearly 50 per cent of four to seven-year-olds are either fastened into unsuitable seats or are not sitting on booster cushions, especially when people other than their parents are taking them to school.

Mothers were found to be more safety-seat conscious than fathers. Both were better than grandparents, many of whom had their own children before seat-belt wearing was considered essential even for adults.

The survey was commissioned by Britax, Britain's

leading maker of car safety seats for children. Clearly, it has an interest.

But we have all seen horrific film clips of unrestrained dummy children being hurled like projectiles through the windcreens of cars. Fastening adult seat belts around four-year-olds in the back of a car is better than nothing, but not much. The belts designed for grown-ups run uncomfortably, possibly dangerously, across children's necks, not their chests and shoulders.

The booster cushions my grandchildren ride on cost around £18 each. They let them see out of the car better and position the belt properly. They could be life savers.

She was the navigator from heaven. Speaking gently, she gave clear and concise instructions. "In 500 yards you will turn left..." and a few seconds later "please turn left now." Back-up signs and symbols appeared on a small screen, perched on top of the fascia. Confirmation was comforting, but unnecessary.

It was, need I say, all done by electronics. The RAC driver's Ford Transit I was driving was one of 10 fitted experimentally with Ford Navigation System, or FNS for short.

A CD-Rom holds details of through roads in a given area and detailed street maps of all cities with more than 50,000 inhabitants.



Wheel sensors and a compass record distance travelled and changes of direction. This is combined with positional data from a satellite thousands of miles above the Earth, matched with the

CD-Rom's digitised map and passed on as navigation instructions by speech and symbol.

Similar systems are in limited use on the Continent, in Japan and the US in luxury cars but not in commercial vehicles. Ford also hopes to bring the cost down so that company salesmen can drive Mondeos fitted with FNS. They would be directed swiftly and more safely from one call to the next.

The next stage will be to link-in data on road conditions, including motorway traffic flows, similar to that provided by Trafficmaster. Then, if there was a hold-up, a driver could be talked through an alternative route.

Vauxhall is to fit Trafficmaster's Oracle speech-based traffic information (though not full navigation) system to some up-market models next month. BMW and its UK subsidiary, Rover, are expected to be next.

صبراً من الامل



# Independent Schools: FT 500

**T**he FT 500 ranking of independent schools' A-level results appears for a fifth year. But you could be forgiven for failing to notice any changes from the first edition.

A reprise of the headlines from the last few years indicates the inevitability which seems to have built up around the domination of the table's upper reaches by a small group of highly selective and well-resourced schools, mostly in big cities.

In 1992, we said that "A Premier League is beginning to emerge". A year later, we announced that the "old powers remain at the top of the league". And so it has continued.

So, if you are a regular reader of this survey, the tables will make very familiar reading. This year's top school, St Paul's, finished in that position last year, and its average placing over the previous five years was first. Westminster, in second, and Winchester, in fourth, are both fixtures in the top five since the survey started, while North London Collegiate (fifth), Eton (sixth), and St Paul's Girls' (seventh) are all still in the top 10.

As league tabling has now established what everyone in education knew anyway - that well resourced and highly selective schools will always get the best exam results - it is now worth examining the rather subtler messages provided in the lower reaches of the tables.

To help identify trends, and as a control against schools which are enjoying the fruits of one exceptional year's intake, the FT prints the average position attained by each school over the last five years. This is arguably more useful than the latest figures for this year's results.

On this basis, the Perse School in Cambridge is one of this year's top performers, in its highest ever place of third, compared with an average of 15th. Three girls' boarding schools - Radnor, St Swythun's and St Mary's Ascot - have all had good years on this basis, while the Francis Holland School in London has managed 30th against a five-year average of 270th.

Other schools to make upward shifts of more than 100 places include The Mount School in York, Queen's Gate, St Mary's Convent School in Worcester, Harrogate Ladies' College, York College for Girls and Queenswood.

These wide gaps in rankings can be misleading, as the difference between schools in the middle reaches of the tables is very narrow indeed. For example, if a school ranked about 260th were to increase its average A-level grades by one grade per pupil (from two Bs and a D to two Bs and a C), its ranking would rise by about 100 places to 160th.

Therefore, rather than be too concerned about difference in placings, it is worth looking at the FT score. This shows how a school compared with the average for all the schools in the survey, with the average performance equalling 1.00. On this basis, the 160th school



Looking for more passes: competition between schools is growing in all departments. Here, boys from King Edward's School, Birmingham, play their winter game

## What do the tables really show?

John Authers and Simon Kuper question whether school leagues are assessing the right qualities

### THE FT TOP THIRTY INDEPENDENT SCHOOLS

Rank	School	Town	County	5-yr rank	FT score	UCAS points /entry	UCAS points /pupil	Boys	Girls	Type
1	St Paul's School	London	Greater London	1	1.68	874	91.63	Boys	Day	
2	Westminster School	London	Greater London	3	1.60	871	91.31	Boys	Day	
3	Perse School	Cambridge	Cambridgeshire	15	1.41	861	88.86	Boys	Day	
4	Winchester College	Winchester	Hampshire	2	1.40	850	89.36	Boys	Board	
5	North London Collegiate	Greater London	Greater London	5	1.40	858	89.01	Girls	Day	
6	Eton College	Windsor	Berkshire	4	1.40	847	89.61	Boys	Board	
7	St Paul's Girls' School	London	Greater London	6	1.38	878	89.25	Girls	Day	
8	Wycombe Abbey School	High Wycombe	Buckinghamshire	12	1.38	873	89.09	Girls	Board	
9	Bedford School	Bedford	Bedfordshire	10	1.37	865	88.50	Boys	Board	
10	King's College School	Winchester	Greater London	10	1.37	846	88.61	Boys	Day	
11	St Swythun's School	Wimborne	Dorset	48	1.37	834	87.80	Girls	Board	
12	Radnor School	Radnor	Shropshire	14	1.35	822	87.54	Boys	Day	
13	Haberghampton Hall	Bornston	Berkshire	16	1.36	836	88.28	Boys	Day	
14	Haberghampton Hall	Bornston	Berkshire	13	1.36	835	88.27	Girls	Day	
15	St Mary's School	South Ascot	Berkshire	47	1.35	833	87.28	Girls	Board	
16	Leeds Grammar School	Leeds	West Yorkshire	25	1.34	796	86.61	Boys	Day	
17	Radley College	Abingdon	Oxfordshire	25	1.34	796	86.61	Boys	Day	
18	Cheltenham Ladies' College	Cheltenham	Gloucestershire	24	1.33	838	87.24	Girls	Board	
19	King Edward VI High for Girls	Birmingham	West Midlands	11	1.33	858	88.62	Girls	Day	
20	St Mary's School	Bolton	Lancashire	27	1.32	820	86.57	Girls	Board	
21	King Edward's School	Birmingham	West Midlands	7	1.32	831	88.57	Boys	Day	
22	Alington School	Alington	Oxfordshire	65	1.31	808	85.89	Boys	Day	
23	Godolphin & Leyburn School	London	Greater London	22	1.31	833	88.74	Girls	Day	
24	Holton School (Boys Dept)	Bolton	Lancashire	27	1.31	820	86.57	Boys	Board	
25	Willington Girls' School	Manchester	Greater London	17	1.31	849	88.96	Girls	Day	
26	Sevenson School	Sevenson	West Midlands	77	1.30	790	85.81	Mixed	Day	
27	Lady Eleanor Hoiles	Hampton	Greater London	19	1.30	795	85.27	Girls	Day	
28	St Mary's School	Coburn	West Yorkshire	29	1.29	820	86.57	Girls	Board	
29	King's School	Canterbury	Kent	29	1.29	808	85.89	Mixed	Day	
30	Francis Holland School	London	Greater London	272	1.29	808	85.89	Girls	Board	

has a score of 1.10 (10 per cent better than the average), while the 260th scores 0.99 (1 per cent below).

The ranking system is particularly cruel for the schools at the bottom of the table. Fyling Hall in Wiltshire, North Yorkshire came 480th. So does this necessarily mean that the school did a poorer job of teaching its pupils than those ranked higher?

Michael Bayes, the school's new head, gives two reasons why it does not. First, the school has a liberal policy on admitting pupils to its sixth form, accepting GCSE results which would definitely be turned down by the likes of St Paul's. Of Fyling Hall's 13 A-level entrants this year, one had failed all her GCSEs, another passed only two, and the remaining 11 students only managed four GCSE grade As between them.

Had the table recorded the improvement in pupils' exam performance over their sixth form, therefore, the school's A-level results would have looked better. Such improvements are notoriously difficult to measure. The government is examining fair ways of measuring it and Labour is also committed to introducing "value-added" measures.

According to Bayes: "Clearly our position in the table would have been radically different if we had specified conventional entry requirements of at least four GCSEs with at least a grade B in your chosen A-level subject."

He adds that the school's policy is to allow pupils to attempt A-levels even if it is clear they will fail. "I know from my experience in other schools that this policy is somewhat unusual these days since the advent of

league tables." Such claims are being made with increasing frequency: this week it was alleged that schools were withdrawing pupils from GCSE exams so that their poor results would not damage the school's league table standings. This would plainly be manipulation, and a tactic not in the best interests of the children.

The "value-added" aspect is also emphasized by Manchester Grammar School, traditionally one of the nation's academic powerhouses, which has had a poor year by its own high standards, falling to 40th from an average five-year position of 8th.

Martin Stephen, its high master, says: "League tables are a complete waste of time because they show very little that is worth showing. The key element is the value added element. We are a very selective independent school so it would be surprising if we did not do well."

He added that this year's results, with only 75 per cent gaining A or B grades, down from 79 per cent last year were "middling" by the school's high standards. His views reflect a strong consensus in education that value-added tables, if they can be made to work, are a more valid measurement of schools' success.

But like Bayes, he also complains that the tables are open to manipulation: "We are being penalised for insisting that our pupils do not need more than three A-levels. If MGS made the top quarter of its boys take a fourth A-level, at a stroke of a pen I could place us first in the table."

The issue of manipulation has grown because league

tables have stimulated competition between schools. The issue is further complicated by strong competition between different league table compilers.

Several national newspapers now compile their own tables from the results supplied to them by the Independent Schools Information Service (ISIS), and some also compile their own figures for state schools. In November, the government will publish its own figures for all schools in both sectors, which normally give rise to further league tabling exercises.

The newspapers are mostly using the same figures, but they often arrive at different rankings. This can be confusing for parents. The FT 500 ranking is more complicated than its rivals, but it has been designed to be as proof

against manipulation by schools as possible. It is based on UCAS points, the standard gauge used for university entrance purposes, where 10 points are awarded for a grade A, eight for a grade B and so on. This means that all grades count towards a school's table performance. Some tables are based merely on the proportion of entries gaining an A or B, thus ignoring the great teaching skill that can go into getting a candidate a C who might otherwise have struggled to get an E. As a C grade is sufficient to gain entry to many prestigious universities, it seems fairer to use this base of calculation.

UCAS points are used to compute two measures: points per entry (the average point score per each exam entered, with a maximum possible score of 10), and points per pupil (the average total points accumulated by each pupil across all subjects, with scores of more than 30 a possibility). The points per entry is multiplied by three and added to the points per pupil to produce the FT score, which is then used as the basis for the ranking.

Either measure on its own would be open to manipulation. A school could boost points per entry by reducing the number of subjects its pupils attempted, or withdrawing them from exams where they were obviously going to do badly. To improve points per pupil, it could do the opposite, and enter all pupils for four subjects.

Neither of these approaches will successfully alter a school's position in the FT 500. If comparisons of English schools are contentious, in Scotland they are almost

impossible. Scottish schools are included for the first time this year, but have a totally different examination system from that in use south of the border. It is generally highly respected by the English educational establishment, and bears closer similarities to continental baccalaureats or American high school diplomas, both of which require a breadth of knowledge, as opposed to English A-levels which encourage specialisation.

"Highers" form the backbone of the system. Students normally take four or five subjects (more than in England and Wales) and can take either one-year courses (with exams at the end of the Scottish fifth year (equivalent to the lower sixth) or two-year courses (known as Sixth Year Highers). Various combinations are possible.

The norm used to be to move on to university immediately after the fifth year. As the preference grew to spend an extra year at school, a further qualification, the Certificate of Sixth Year Studies, was introduced to complement Fifth Year Highers. Many Scottish independent schools now also offer A-levels, as English universities tend to understand them better than Highers.

There is much to be said for the Scottish mixed economy of qualifications, but it makes meaningful comparisons of results difficult, if not impossible. With the exception of Gordonstoun, which offers only A-levels, all Scottish schools are listed separately from those in England and Wales. The FT has made no attempt to rank them, as there is too much room for controversy over the relative worth of the qualifications on offer.

Instead, we print the results for Fifth and Sixth Year Highers and A-levels for each school. Where a school had fewer than 10 entries for a given qualification, it has not been listed. Finally, the figures for five schools, all asterisked, include their results for the International Baccalaureate, a qualification similar to A-levels but which requires greater breadth, with a compulsory short thesis and a paper in the theory of knowledge. These have been converted into A-level points using an agreed formula.

**How to read the tables**  
All schools are ranked on a single scale from 1-481. The five-year rank is based on an average of each school's results for 1991, 1992, 1993, 1994 and 1995. In the FT score, 1.00 represents the average for all schools; schools with a score above 1.00 are doing better than average; those with a score below 1.00 achieved less-than-average results. UCAS points are based on the UCAS system - for A-levels: grade A = 10 points; grade B = 8; grade C = 6; grade D = 4; grade E = 2; for AS-levels: grade A = 5; grade B = 4; grade C = 3; grade D = 2; grade E = 1.

A score of 1.00 equates to about 20 UCAS points, or about a B and two Cs at A-level per pupil. The top schools' scores of about 31.3 points, or better than three As per pupil.

Schools that offer the International Baccalaureate are marked with an asterisk. All rankings and scores are all based on an average of a school's UCAS points per entry and its UCAS points per pupil, which have all been equally weighted. All details are provisional and subject to correction by the Independent Schools Information Service.

### Independent Schools 1996 A-level Results

Rank	School	Town	5-yr rank	FT score	Passes /pupil	UCAS points /entry	UCAS points /pupil
9	Bedford School	Bedford	52	1.38	3.38	8.6	28.3
106	Bath High School	Bath	90	1.18	6	7.5	23.3
236	Bristol Cathedral School	Bristol	229	1.09	8.7	22.1	
323	Bedford Grammar School	Bedford	73	1.17	3.08	7.5	23.6
180	Cifton College	Bristol	148	1.07	3.02	8.6	21.8
98	Clifton High School	Bristol	182	1.21	3.23	7.7	24.8
414	Colston's Collegiate School	Bristol	430	0.78	2.7	2.7	15.9
321	Colston's Girls' School	Bristol	312	0.93	2.85	8.1	18.4
380	Downside School	Bath	225	0.94	2.84	5.4	16.9
147	King Edward's School	Bath	182	1.11	3.11	7.2	22.2
251	Kingswood School	Bath	328	1.01	3.08	6.5	20.3
320	Henilton Convent School	Nr. Bath	291	0.93	2.89	8.1	18.5
371	Pitlor Park College	Bath	316	0.85	2.92	4.7	16.5
222	Queen Elizabeth's Hospital	Bristol	156	1.04	3.04	6.6	21.0
135	Red Middle School	Bristol	99	1.13	3.25	7.2	23.0
116	Redwood High School	Bristol	164	1.16	2.88	7.6	22.8
388	Redwood School	Bath	401	0.86	2.87	5.8	16.7
287	Sidcot School	Wincoboe	346	0.97	2.77	6.4	19.8
County Average				1.04	3	6.6	20.8
122	Bedford High School	Bedford	202	1.14	3.08	7.4	22.8
138	Bedford Modern School	Bedford	191	1.12	3.02	6.9	22.5
119	Bedford School	Bedford	118	1.15	3.07	7.4	22.9
168	Dame Alice Harpur School	Bedford	243	1.1	3.02	7.2	21.9
County Average				1.13	3.1682	7.2	22.80
46	Abney School	Reading	41	1.25	3.25	8	25.4
479	Abingdon College	Wokingham	477	0.47	2.04	3.1	9.1
188	Bradfield College	Reading	213	1.07	3.03	8.3	21.5
375	Brighton School	Reading	447	0.85	2.59	5.6	16.4
350	Dove's Dale School	Reading	372	0.82	3.04	5.7	19.2
63	Downe House	Newbury	30	1.22	3.25	7.7	24.9
5	Eton College	Windsor	4	1.4	3.58	8.5	28.9
38	Hastfield School	Reading	229	1.27	3.09	8.2	28.4
318	Leighton Park School	Reading	270	0.93	2.83	8	18.8
477	Licensed Victuallers School	Ascot	470	0.5	2.13	3.3	9.5
305	Luckley-Oldfield School	Wokingham	495	0.94	2.71	17.9	
228	Orlby School	Nr. Reading	99	1.03	3.12	6.6	20.3
435	Overton School	Reading	426	0.78	2.77	4.9	14.0
431	Presentation College	Reading	337	0.74	2.57	4.8	14.4
215	Queen Anne's School	Reading	159	1.04	2.96	6.8	20.5
323	Reading Blue Coat School	Reading	304	0.98	2.87	8.1	18.1
178	St George's School	Ascot	182	1.08	3	7	21.8
343	St Joseph's Convent School	Reading	413	0.9	3.13	3.3	9.5
16	St Mary's School	South Ascot	47	1.35	3.3	8.8	27.3
81	Wallingdon School	Crowthorne	69	1.28	3.38	7.8	25.3
County Average				0.89	2.99	6.4	18.90

### Independent Schools 1996 A-level Results

Rank	School	Town	5-yr rank	FT score	Passes /pupil	UCAS points /entry	UCAS points /pupil
412	Pipers Corner School	High Wycombe	409	0.79	2	5.9	13.4
114	St Mary's School	Gerrards Cross	422	1.15	3.08	7.4	23.2
301	Stowe School	Buckingham	255	0.95	2.81	6.2	18.9
5	Wycombe Abbey School	High Wycombe	12	1.28	3.25	8.7	28.1
County Average				1.07	2.81	7	20.90
275	Kimbolton School	Huntingdon	241	0.98	2.71	8.7	18.8
385	King's School	Ely	250	0.75	2.77	5.4	16.5
221	Lays School	Cambridge	227	1.04	2.86	8.7	20.7
53	Perse School for Girls	Cambridge	42	1.23	3.16	7.8	24.7
3	Perse School	Cambridge	15	1.41	3.51	8.8	29.0
234	Peterborough High School	Peterborough	4	1.3	3.25	8.8	18.1
325	St Mary's School	Cambridge	183	0.93	2.86	6	18.4
285	Walsby Grammar School	Walsby	307	0.86	3.13	6.2	18.3
County Average				1.04	2.98	6.7	20.70
230	Elizabeth College	Guernsey	300	1.03	3	8.6	20.8
184	Ladies College	Guernsey	192	1.07	2.95	7.1	21.1
333	Victoria College	Jersey	338	0.92	2.86	9	18.1
County Average				1.01	2.94	6.6	19.90
394	Albyn Gate College	Chester	384	0.83	2.89	5.4	15.4
155	Chester Hulme School	Chester	183	1.11	3	7.2	21.9
191	Grange School	Northwich	122	1.07	2.94	6.8	21.3
137	King's School	Chester	43	1.13	2.88	7.3	22.5
213	King's School	Macclesfield	248	0.88	2.83	6	18.4
418	Mount Carmel School	Alderley Edge	378	0.78	2.62	5.2	15.1
481	North Central Grammar School	Altrincham	480	0.82	2.89	4.2	11.8
36	Queen's School	Chester	34	1.27	3.27	8.1	25.8
270	St Anthony's College	Widnes	270	0.99	2.94	8.3	23.9
441	St Hilary's School	Alderley Edge	380	0.71	2.47	4.7	13.7
130	Stockport Grammar School	Stockport	115	1.14	2.88	7.5	22.4
County Average							



INDEPENDENT SCHOOLS: FT 500

Independent Schools 1996 A-level Results

Table listing independent schools in the UK with columns for Rank, School, Town, 5-yr rank, FT score, Passes / pupil, UCAS points / entry, and UCAS points / pupil.

Independent Schools 1996 A-level Results

Table listing independent schools in the UK with columns for Rank, School, Town, 5-yr rank, FT score, Passes / pupil, UCAS points / entry, and UCAS points / pupil.

Independent Schools 1996 A-level Results

Table listing independent schools in the UK with columns for Rank, School, Town, 5-yr rank, FT score, Passes / pupil, UCAS points / entry, and UCAS points / pupil.

National Average

1 2.91 6.5 19.9

FT 500: Scotland's independent schools

Table listing FT 500 independent schools in Scotland with columns for School, Level, Total Gr B, C, D, and Subject entries.

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EDUCATION

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OUTDOORS

In Tuscany the prime candidate for global warming? The question has been asked time and again by overheated English lips, most recently by David and Felicity Weil-Levitt, from the colonnade of their villa which has a distant prospect of the black and white striped spires of Siena.

David enjoyed a good bonus in 1996 for his work in corporate finance, such as is often used to take a breather and develop a more expansive lifestyle.

Where better to expand than on the trails of fellow financiers and to rent a villa in the Tuscan countryside? Felicity retains fond memories of holidays in springtime with her father among the frescoes at Arezzo. Her children, Dominic and Laura, have happy memories of anywhere within reach of ice-cream and a swimming pool. No doubt, they will have more happy memories after three weeks devoted to family priorities.

August in Italy is certainly not March: did the Medici ever have mosquito nets, Felicity asks? Both the children have been bitten on one side and burned on the other. Dominic also came out in a rash in reaction to a local brand of washing powder, while Felicity, having read too much about skin care to want to go near the sun, has spent much of her time within reach of the flyswatter. She has found herself, by mid-afternoon, wistfully dreaming of her terracotta pots in Keosigton, which she filled with admirable salvias on the advice of the FT last June.

Like the local wildlife, the food in Tuscany has been a surprise. David was determined that the children would not be spoiled and that the family would not indulge in a car chase from one starred restaurant to the other. They had expected that for evenings they would be dining on those Italian specialities which are all over dinner parties in Notting Hill - porcino on the grown-ups' plates and a glorious mixture of chocolate and fettuccine to silence the children.

But wherever the Italians eat it, they do not eat it in the restaurants of small towns. Felicity and family have had three nights of



Robin Lane Fox

# Dreaming of Somerset summers in Siena

frustration with the same typed menus, half of which has been unavailable. As a result Felicity has felt obliged to take over and do a Claudia Roden at home.

Catering for the team has at least removed her doubts about the wisdom of economic and monetary union. While David has held court in the swimming pool, she has been left to change the money and wonder what on earth the food shops mean when they price their goods by the Etto. Siena, she believed, had been famous for its banks. However, the banks seem to turn the cast-

ing of a Eurocheque into a prolonged exercise in paperwork, leading to a triple loss of commission for pushing the paper through three appliances.

From Felicity's view through the kitchen window, she has had time to watch her husband at unaccustomed leisure. There is no garden, except two cypress trees and some busy lizzies. The centre of life is the pool but its scenes have prompted Felicity to remember her days reading anthropology.

She has never forgotten a case-study by the man who is now Oxford's new warden

of All Souls. As a young researcher, he found himself in the deep south of Italy playing games in the har with the menfolk of the little town of Borgiaguinta. One game which they played was pasatella, a game which needed little skill and a hit of luck, but which made and broke great reputations for cunning as each of the players tried to win more free drinks than the other.

Pasatella, Felicity has always believed, bears an uncanny resemblance to the life of David and his fellow corporate financiers. The analogy, she realises, does

not stop there. In Borgiaguinta, it emerged that the local peasants were imitating in their favourite game the relations which they enacted every day with their patrons in the search for casual employment. Their game was an extension of the workplace in a new dimension.

It is not just that David and his friends run everything by competition. On arrival at their villa, David marked out the pool into lanes so that Dominic and Laura could be timed to beat their personal bests. And a banker on holiday cannot resist some covert competition with bankers in the neighbourhood. After racing the children in the pool, they are whisked off to visit those in other rented villas, just to see who has closed the best deal - on one occasion Laura clamoured to get to a neighbouring pool which had mosaic flooring similar to one hired by a media team from David's bank.

But it is the Borgiaguinta factor which has most alarmed Felicity - David has devised a game for the children and visitors which results in the most persistent screams from the pool. One team tries to grab goods held by the other team at one end of the pool.

There are interludes for slanging matches and appeals to outsiders as the White Knights team proceed with a mass ducking for the losers. The rules seem to be

made up only when they have been broken and the entire skirmish is known as Takeovers. All afternoon, Weil-Levitt and his friends imitate the south Italian peasants and replay relations at work in their enforced leisure.

One morning, when Felicity was again dreaming of past summers in Somerset, she received a letter from her friend, Annabel, near Castle Cary.

Annabel said it had been such a wonderful fortnight that she and her artist husband threw away their provisional tickets to France. She also enclosed an abstract from her favourite holiday reading, the late Arthur Helyer's classic book, *Your Garden Week by Week*.

"August Fourth Week. Pot early narcissus bulbs before Christmas... sow onions... start to earth-up maincrop celery... it is a good plan to draw the stems together with raffia before starting to earth-up, so that one can have both hands free for working the soil around the plants."

Felicity as a result felt profoundly wistful for those holidays in her mother's garden during the golden Augusts of her own childhood.

But as she sealed up the letter, her attention turned to Laura who was screaming from the swimming pool. "Daddy, this time I want to be Bentokil and you have to promise that there will be no White Knights."

## Fishing / Tom Fort Dilemma: to return or kill the catch

A recent article in the magazine *Trout and Salmon* set me puzzling over ethics - dangerous ground for a sport in which inflicting suffering and death has an unavoidable place.

The writer of the article faced a dilemma. He and his party had hit bonanza time on the Oykel in northern Scotland - rain after drought had brought the salmon pouring in from the sea, so all they had to do was keep their flies in the water and they had fish. The predicament was what then to do with them.

In the old, innocent days fishermen were untroubled by such scruples. A salmon caught was a salmon killed, irrespective of its sex and condition. The notion that a fish might be taken, admired, and returned alive never entered anyone's head. Such ideas belonged to a different code espoused by the coarse fishing fraternity, with their green umbrellas, tubes of maggots, and keepnets hulking with inedible specimens of lower fish life.

Today, the issue of whether to return the fish or kill them is clouded by our own scruples and by the hostility of those who would like to stop angling altogether.

Everyone knows that the salmon is a threatened species. So salmon anglers cannot lead the chorus of those clamouring for its salvation while taking every opportunity to slaughter as many as they can.

Initial conservation steps were straightforward. It became the practice to return the hen fish which were coloured and approaching their spawning time; then the red cock fish became part of this practice too. Such steps required little sacrifice since the fish were hardly fit to eat anyway. And then the moral landscape became a trifle misty.

If we want to conserve fish then the introduction of a policy of catch and release may at first seem the obvious answer. Such practice was introduced on many Canadian rivers and in Russia, where the remoteness of the locations anyway means keeping and transporting large numbers of dead fish is unrealistic.

Those who embrace the catch and release doctrine, however, do so with an air of moral superiority, while not recognising a number of awkward facts: salmon suffer rather more by the catching than by the bang on the head, they are frequently so stressed by the fight when caught that they cannot survive and fish

have short lives anyway. In Scandinavia and Iceland a more robust line is taken. They return coloured fish. But both countries regard the salmon as a sporting and dietary resource provided for man's benefit. They take immense trouble to enhance the resource, so they can exploit it. And they believe that someone who has paid a great deal of money to catch a salmon has the right to dispose of it as they see fit.

Britain, however, in its characteristic, endearing way, searches for the compromise and then feels guilty about its short-comings.

The writer's dilemma faced when fishing on the Oykel ended with 42 salmon caught and more than half returned. The writer suggested in his article this was a reasonable balance, but his words revealed a

troubled conscience. I strongly suspect he would have slept more easily if his trip had been characterised by much effort but infrequent triumphs.

I have never had to grapple with the moral questions raised by a glut of salmon. The nearest I have come to such surfeit was on the Irish Blackwater some years ago, when in three September days four of us caught 19 fish. We killed them all, without compunction. But I do remember being slightly troubled as we dragged the box of frozen fish through Cork airport - not so much by the fact that we had killed the fish, more because we found them rather inconvenient things to lug around and dispose of.

Thus my own code is based more on considerations of convenience than on high principle. I return almost all of the fish I catch, because on the whole I find dead fish a nuisance. But if I want a fish for eating, a salmon or a trout for instance, I am not in the least bit perturbed.

I do not believe that sparing a fish's life makes me a better man than the habitual slaughterer. To return a fish to the water is not an act of mercy, but of self-interest.

The only merciful course is to stop fishing altogether.

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## Country View Rural homes for business

Eileen Mason often contemplates the irony of being a vet in a building previously occupied by pigs. She is one of five tenants in a group of rural workshops built in old, indoor pig pens in the village of Uleyby, near the Humber estuary in north Lincolnshire.

The other occupants of the small complex, which was converted in 1989, are a graphic designer, an electrical testing company, a window specialist and an administration office for a haulage company.

"I find it a lovely peaceful place to work - much more peaceful than my previous place of work," says Mason, who moved her practice business from Grimsby to the workshops a year ago.

"As I have lived in a house in the village for the past 10 years I can remember the dilapidated state this building was in. At one stage the whole derelict farm complex was overrun by feral cats and I spent some of my spare time trapping and neutering them."

The conversion of a pig pen is one of the more unusual rural workshop schemes initiated by the Rural Development Commission.



Old pig pens get new tenants

shall, Lincolnshire, and converted it into the headquarters of her manufacturing bridal and evening wear business.

The Ocean Challenge yacht racing company has also benefited from such schemes. In 1994 Chay Blyth, the veteran round-the-world yachtsman, moved the business from Hampshire to two converted barns near Liskeard in Cornwall with the help of a £15,000 RDC grant.

"Because of my association with the West Country, and the fact that a number of our teams were already in the area, I decided this was the best place to be. We have excellent access and communications here," he says.

Blyth and other similar small business owners have welcomed recent moves by government in favour of business use of redundant agricultural and industrial buildings in rural areas over residential schemes, in particular, the Rural White Paper, published last autumn, which promised local authorities "greater discrimination" in assessing schemes.

The draft of a new planning policy guidance notes states: "Residential conversion of buildings that have ceased to be used for industrial or commercial purposes has minimal economic impact and is often detrimental to the fabric and

character of historic buildings." It says that reuse and adaptation of existing rural buildings can reduce demand for new buildings in the countryside and avoid vacant buildings which are prone to vandalism.

The document says there should be no reason for preventing the conversion of rural buildings for business reuse, providing certain conditions are met. These include the stability and strength of the building and its suitability for conversion without major or complete reconstruction, and that such conversions should strengthen existing villages and small towns, thus protecting the open countryside.

The guidance note encourages local planning authorities to co-operate with other bodies in trying to compile and promote registers of rural buildings that might be suitable for business reuse.

The RDC says: "This paper appreciates that reusing these buildings for small-scale industrial use rather than housing can yield real economic benefits to the community as well as often being more sympathetic with the character of these buildings."

"We hope these points will be incorporated into planning guidance that will go to all local authorities later this year."

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PROPERTY

Beef crisis keeps agents waiting

Farming profitability appears to be the real key to land prices, writes Anne Spackman

When the BSE crisis erupted in March the news was dominated by pictures of empty livestock markets and anxious beef farmers...

'BSE is going to cost a great deal more than first anticipated'

In the arable sector the rises are even more dramatic. Prime arable land was up 37 per cent last year, according to Savills agricultural research...

There has been an awful lot of roll-over money around this summer. I fear things will start to peak towards the autumn...

Some think it already has. Agents who act primarily for buyers rather than sellers say they are noticing a reluctance to chase prices up to £3,500 an acre and above...



Chewing the cud thoughtfully: but it is not all doom and gloom for livestock or their owners

cheaper than it was in 1988, leaving room for further price rises. And the competition to buy has never been more fierce...

Both the optimists and pessimists agree that the key to land prices is profitability. Jim Ward, head of Savills agricultural research, says...

He expects a fall of 10 per cent in the value of arable land by the end of 1997 and a fall of 15 per cent over the next three years...

On the Move Boom time in the city

The most buoyant residential development area in central London is the southern section of the borough of Westminster. Nearly 1,000 homes are in the pipeline...

Barratt has just announced its purchase of Bishop's Depository, the former furniture warehouse on Vincent Square...

When questioned for London Residential Research's comprehensive development survey earlier this year, a number of estate agents and developers expressed concern about the area's ability to absorb so many new projects...

Leigh Farm near Ashtoo Keynes in Wiltshire is six miles from Cirencester. Also grade II, it is an old farmhouse in Cotswold stone and has 18 acres and 14 horse boxes...

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Subterranean bungalow: the garden on the roof will become the main feature, instead of the hidden brickwork

Underground market

Rosalind Russell discovers a new and eccentric line in housing

Robert Russell is a conventional man. He builds conventional houses, such as a top-of-the-market, Georgian-style development in landscaped gardens in Ascot which sold briskly.

It that way and protested vigorously when a planning application was first sent in. "I can't blame them," says Russell. "I would feel the same, it's a natural thing to do."

Special waterproofing will keep out damp, there will be conventional gas central heating and insulation is likely to be better than in an ordinary house.

(although granny may object). It would have to integrate with the property. "In certain circumstances, it is a solution," says a South Buckinghamshire planning official.

business



WEEKEND FT WORLDWIDE RESIDENTIAL PROPERTY SUPPLEMENT 21 September 1996 PRIVATE VENDOR OR ESTATE AGENT? The third and final supplement of the year provides a market place tailor-made for international homebuyers, tenants and investors.



TRAVEL

# Haiti alive with the memory of Greene

Robert Twigger finds murder, mystery and music amid the tropical sun

There were no guests in the hotel and the swimming pool was empty," wrote Graham Greene in *Ways of Escape* about his stay in 1963 at the Oloffson hotel in Port au Prince, Haiti.

In his novel *The Comedians*, which is set in the Oloffson, he decided to fill the swimming pool with water. He needed somewhere to drown his fictional minister of health.

Thirty odd years later the pool is still full of water and Greene's old room has been renamed "The Greene Suite". I asked the manager, 38-year-old Haitian-American Richard Morse, if filling the pool was an act of homage. Morse smiled and assured me that no dead bodies have been found floating recently, although the odd stray goat has tumbled into it in the past.

In *The Comedians* Greene renamed the Oloffson the Trianon. Apart from the name change the Oloffson still resembles the Gothic palace topped with spires and odd towers that he describes in his novel. Greene wrote: "You expected a witch to open the door to you or a manic butler, with a bat dangling from a chandelier behind him."

This comic scene is exacerbated by Haiti's voodoo reputation. John Doe Passos observed in 1948: "The Oloffson is the oddest damn place I ever saw. Nobody ever stops talking about voodoo, zombies, possessions, Baron Samedi, etc."

In spite of the political upheavals of the last few years, privatisation and pro-democracy movements, everyone on the verandah has their voodoo story which they unleash after a decent five minutes discussing the economy.

I had been at the Oloffson less than a day before I recognised the ever-dapper Aubelin Jolicœur, the dilettante gossip columnist Greene called "Petit Pierre". He still writes his weekly column for *Le Nouvelliste* and he



Graham Greene is something of an unofficial hero in Haiti



Richard Morse in front of the infamous pool at the Oloffson, where Graham Greene drowned his fictional minister of health

still comes everyday to the Oloffson to pick up the latest news. He carries, as Greene described, a gold-topped malacca cane, and speaks the flamboyant antiquated English of an aesthete. He looks any age between 50 and 65 but must be several years older.

When Greene died Jolicœur wrote for *The Guardian* an appreciation of the author who had immortalised him. "I was grateful to Greene to have enhanced my legend to such an extent that some fans kneel at my feet or kiss my hand in meeting a man living his own legend."

Although I did see "Petit Pierre" kiss the shyly proffered hands of several female tourists, I did not witness his own hand actually being kissed. When the Duvalier regime collapsed in 1986 Jolicœur fled to the American Embassy where they refused him entry. "Not now, Aubey," the American press officer said as they shut the gates. Somehow he survived, despite having spent two years as secretary of state at the Ministry of Information with suspected connections to the Tonton Macoutes.

Greene wrote in his autobiography that Jolicœur was there to

spy on him. "Petit Pierre" brushes this aside with a toothy smile. He explained with full sincerity the real secret of his survival: "The answer my dear is that I am so very famous. No one, not even Papa Doc, would dare to touch me!"

I asked whether he minded being renamed by an English author. He said: "Petit Pierre", as you may know, is the title of an autobiographical work by Anatole France. It's the story of a fellow who was loved and adored in his village. So the celebrated author of *The Heart of the Matter* meant to be agreeable, you see, even to flatter me!"

Even though I knew the hotel was full of guests, the lounge still contrived, on certain evenings, to be Greenesquely empty. The overhead fans whirred. My solitary drink rested on the high wooden bar. It was made from a pool table left behind after the American occupation in 1934. The barman sometimes just disappeared and I soon gave up worrying about how exactly I should settle the bill.

An American human rights lawyer had told me that no trip to Haiti was complete without

seeing a dead body. Thankfully I saw none, unlike the random carnage that Greene witnessed causing him to comment, "Haiti really was the bad dream of the newspaper headlines".

Morse told me: "When it's bad we get journalists and when it's good we get tourists. Either way I

**'Actually Greene's room was haunted even before he stayed here'**

make a living. Right now tourism is increasing so we must be going through a peaceful stage."

The "peace", at least at the Oloffson, is shattered once a week by Morse's voodoo beat band RAM. They play in the lounge in front of crowds packed on to the dance floor, standing on tables, even dancing on the stairs. The band has a huge following in Haiti, with support from all levels of society. The

mayor of Port au Prince, a permanent resident at the Oloffson, often opens the entertainment by singing a few songs of his own.

"It's a once a week détente. Even Macoutes need somewhere to let off steam," says the equable Morse. On RAM nights the Oloffson seems far from Greeneland. Indeed with the diversity of the guests, the backdrop of political unrest, the frenzied parrying, and drinking to the small hours, it resembles Rick's Cafe in *Casablanca* with Morse happily playing Bogart and Sam rolled into one.

When Greene first came to Haiti in the 1950s he stayed at El Rancho, an American-style hotel built around a pool on the hill above the Oloffson. I took a "tap tap", a kind of communal taxi, there to take a look. Swisher and smarter than the Oloffson, it was full of United Nations personnel sunning themselves by the pool and explaining in loud, staccato orders to the waiters. They glared at me in my dusty jeans and I could see why Greene quit this soulless modern place. Who wouldn't prefer the accented laid-back appeal of the Oloffson?

Morse sees himself as continuing the Oloffson's oddball tradition. One previous manager kept alligators in the swimming pool. Another sold the hotel lease for \$20 in the back of a car on his way to the airport.

Such tactics attract the famous. The Oloffson is the favourite hotel of film director Jonathan Demme. He employed staff at the hotel to play small roles in his movie *Silence of the Lambs*. Morse takes all this attention in his stride. His band has just been signed by Island records. Perhaps he will end up being more famous than his famous hotel.

I asked Morse for his opinion of *The Comedians*. "Greene got the atmosphere perfectly, especially in the first two-thirds of the book. That's Haiti. It still is Haiti." Out of deference to Greene a new room at the Oloffson will be called "The Barrymore Suite", which was the fictional name of the narrator's room in the novel.

One night, alone on the verandah after drinking several of the Oloffson's famed rum punches, I heard a kind of scraping noise, metallic, like the dragging of a

chain - or was it a typewriter? The next day I asked Morse whether the Oloffson was haunted - perhaps by the great author.

"Sure. Why not? Actually Greene's room was haunted even before he stayed here. It was the operating theatre when the hotel was used as a hospital during the American occupation in the 1920s and 1930s. Yeah, I've heard screams," Morse said. I've heard scragging in the air, ominous and yet also engaging, for the haunted-house feel of the Oloffson contrasts oddly with the tropical sun and the cheerful staff.

Papa Doc was so annoyed by *The Comedians* he issued a pamphlet denouncing the author. Greene was described as a "negrophobic benzadrine addict" and an "habitué of lazar houses". Greene, however, is something of an unofficial hero in Haiti, although there are those who resent his fictional portrayals.

Shortly after Greene died in 1991 a missionary priest from Toronto was detained for 24 hours at Port au Prince International airport simply because of his unfortunate surname: Greene.

D.H. Lawrence came to Santa Fe twice in the 1920s and was moved to write "the moment I saw the brilliant morning shine high up over the desert of Santa Fe, something stood still in my soul". It is true that a mystical aura suffuses the immense landscape, a combination of arid desolation, grandeur of space and magnificent light.

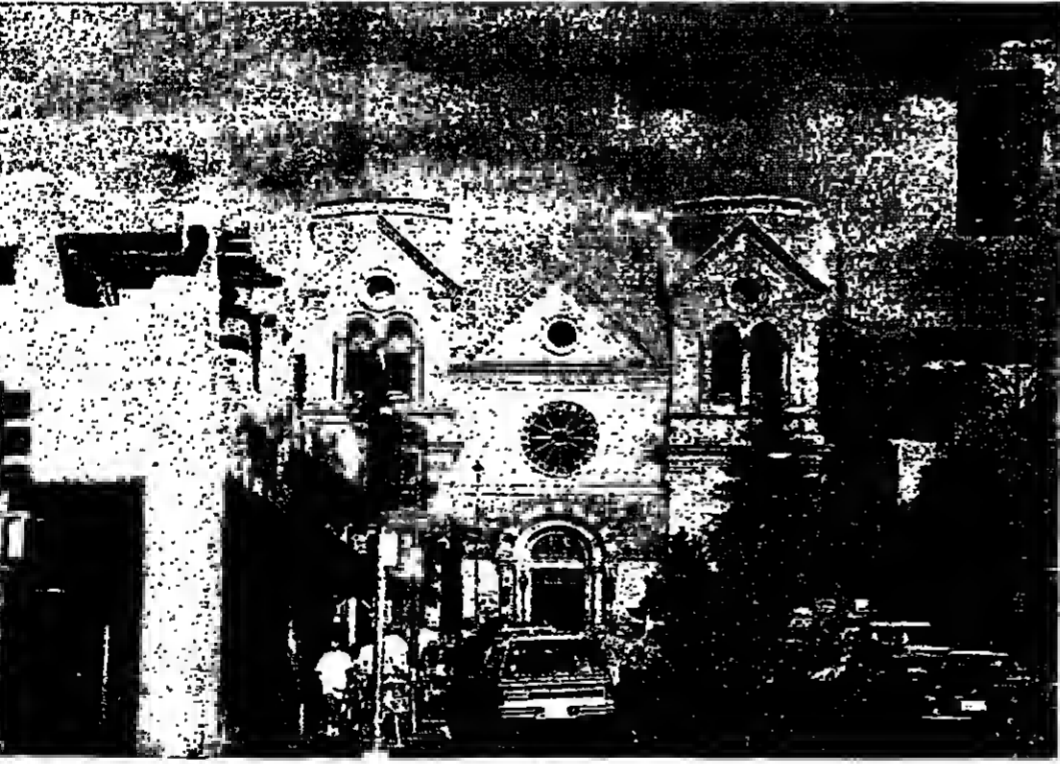
The town is a walker's paradise, flat and manageable. Radiating from a grassy 17th century Spanish plaza (the earliest US public building is there), the town caters to its top industry, tourism. It has been disparaged as a "south-western theme park", principally because of its geography, the Indian underlay, the Spanish overlay and the culinary emphasis on red and green chilies.

But it is art that put Santa Fe on the map. Years ago, when being artistic in the US was considered an aberration, this town gave it a thumbs-up. Artists began to gravitate there a decade after New Mexico joined the Union in 1912. After New York and Chicago, Santa Fe is the third largest art centre in the US.

From early or contemporary painting, sculpture, photography and glass to (American) Indian ceramics, blankets, baskets, silver, beadwork - you name it, Santa Fe has it. There are also a number of galleries selling African and far eastern art and, until recently, English china and Scandinavian pieces. This could be the place where the American phrase "shop till you drop" originated.

Santa Fe's population includes American Indians, Spanish (Mexicans and Cleanos want to be called Spanish, linking them to the conquistadors) and Anglos. Tensions do exist. The Indians have a claim against the Spanish regarding water rights, vital in this climate. Both are resentful of recent property purchases by Anglos, which have raised values and in turn attracted large chain stores, squeezing out indigenous shops unable to afford the new, higher rents.

Until recently, most buyers came from the neighbouring states of Texas and Oklahoma. They rarely disturbed the atmosphere, preferring to keep the town as they found it. But many say the new residents (or "partials" from Los Angeles and New York) are replacing the town's easy, informal and low-key character with glitz.



Santa Fe is paradise for art lovers, walkers and shoppers alike

## Santa Fe's 'art and soul' gets a little bit of glitz

Claire Frankel on America's third largest art centre

ing, the new buyers have also brought golf even though the area has water concerns. Locals say they are in fact trying to give a facelift to a town which is proud of its wrinkles.

Santa Fe's appeal to mass tourism was founded on its many galleries, with art on every corner, an artist in every coffee shop and exhibitions in hotels, restaurants and bars. It is still a place where people come to see art or make art and for decades has accommodated an art market.

In the late 1970s and 1980s, art was booming and initially most of the sales were of representational western work created by Taos, an older art community about an hour's drive north. Abstract art was rare before 1978-1979, but now it is shown in many galleries.

In the 1990s everyone wanted to play in the art sand-box. It was chic, as well as a possible moneyspinner. Hopefuls abandoned

careers and became "artists", got little studios and put out a sign. Others thought it would be fun to have a gallery, boutique or shop. Then a horde of rich folk decided to become collectors. Gallery owner Linda Furham says such activity produced "a kind of mishmash with galleries opening and closing, artists coming and going, collectors buying and selling".

People are now a little more cautious. Whereas it used to be "how can I expand?", now owners say "how can I stay alive?" Rising rents and the many window shoppers means that few of Santa Fe's galleries are not having an easy time - a number are closing and some owners are opting to become private dealers. Gallery owner Allene Lapides says that some viewers even telephone to be sure wine will be served at openings.

Many "galleries" cater to the "souvenir" market selling

T-shirts, posters or fake artifacts made in Taiwan. It is as much a part of the scene as eating tamales, enchiladas and sopaipillas. Kitch has taken root but, fortunately, an abundance of strong painting and sculpture is readily available.

Canyon Road (called "the Art and Soul of Santa Fe") was once an old Indian trail. Now it houses more than 60 galleries and shops. In and among this huge commercial enterprise are long-time shop owners like Robert Nichols who sells authentic Indian ware, and gallery owner Gerald Peters who exhibits not only Frederic Remington and Georgia O'Keeffe but also Monet, Sisley and Degas. The "in town" contemporary scene is dominated by a few highly recommended galleries on or near the plaza - they have large, elegant spaces and are owned and run by knowledgeable and respected figures in the art world.

## Check-in / Roger Bray

### Toppling the crown

Stars are about to emerge from the clouds of confusion surrounding the classification of British hotels. It looks likely that the crown symbols used by the English, Scottish and Welsh national tourist boards will be abandoned, and with them the four qualifying categories - approved, commended, highly commended and de luxe.

In their place will be a unified star rating system, run in conjunction with the motoring organisations. The decision should resolve an argument which has been raging in the travel industry for several years. Critics say stars are understood around the world. Crowns are not. Besides, the number of crowns awarded by the boards has not always equalled that of the stars dispensed by the AA and the RAC.

Until recently the labyrinth was even more complex, with hotels in Scotland assessed on quality while those in England were rated purely on the facilities they offered.

The new, simplified system could be in place by the autumn. There are lingering complications, however, still to be ironed out, such as what will be done about more modest accommodation like bed and breakfast or guest houses? And categories used by the motoring organisations are not easy to fathom. For example, the AA excludes from its star ratings the new breed of budget accommodation usually found near major roads, including Fort's Travelodge.

### Operators head off legislative fallout

European tour operators are facing a worrying dilemma. Legislation from Brussels has lumbered them with the potentially costly responsibility for almost anything that goes wrong with a package holiday.

Operators' fastest growing business is to exotic long-haul destinations, where health and other hazards are more likely to occur than in the Mediterranean. To tackle the problem, the travel industry has linked up

with the Madrid-based World Tourism Organisation to set up a 60-member advisory council, which will meet regularly to identify priority problems and set out tenets of "best practice" for developing destinations.

Advice could cover anything from avoiding dangerous pollution through the treatment of raw sewage to government marketing funds. The rationale is that resorts in developing countries can learn from leading European tourist destinations such as Spain, which have had time to recognise their mistakes and doctor them.



Early targets for best practice include Thailand, where efforts are being made to head off damaging over-development.

The council's spotlight will also fall on the Silk Route between Istanbul and Xian in China, which is being turned into a tourist attraction with UN backing. The aim will be to ensure that new hotels built along the way are not environmental eyesores - and that the route is adequately policed.

### Get prepared for hurricane Caribbean

As the hurricane season rumbles around again in the Caribbean, holiday companies have been trying to persuade island governments to respond more quickly and effectively to threatened disruption.

They can stay in contact when land lines go down. And they are urging faster clearance for rescue flights.

The moves follow last year's devastating storms, which brought havoc to many places, not least Antigua. The International Federation of Tour Operators, which groups tour operators in 19 countries, wants local officials to speed up the evacuation of holidaymakers as storms approach or in their immediate aftermath. It also wants tourist accommodation managers to make arrangements for approved shelters for guests. It has recommended the establishment of central co-ordination and communication centres.

IFTO president Martin Brackebury says response to the proposals has been positive. "At present hotel and catering staff in the Caribbean tend to disappear home when a hurricane is on the way. We are trying to convince them that if they are really serious about tourism, they need to look after their guests better in a crisis."

### What to do with the Greek tax refund

The Greeks have agreed to commute the impact of their swingeing departure tax, which has been driving tourists into the arms of rival Turkey.

The 20 Euro tax, introduced three years ago, may have deterred more than 1m potential visitors from Europe alone. But the Greeks' first, tentative move to lessen the tax's impact smacks of farce.

Tourism officials in Athens have promised to repay tour operators 1,100 drachmas per passenger for the final three months of the summer season. But most people who have booked to travel this year have already paid the tax in the price for their holiday. To send such a refund of about £3 would be correct, but hardly worth the expensive administrative nightmare. So what will the industry do? Use money paid by existing customers to discount end-of-season packages still to be booked? Answers on a postcard.

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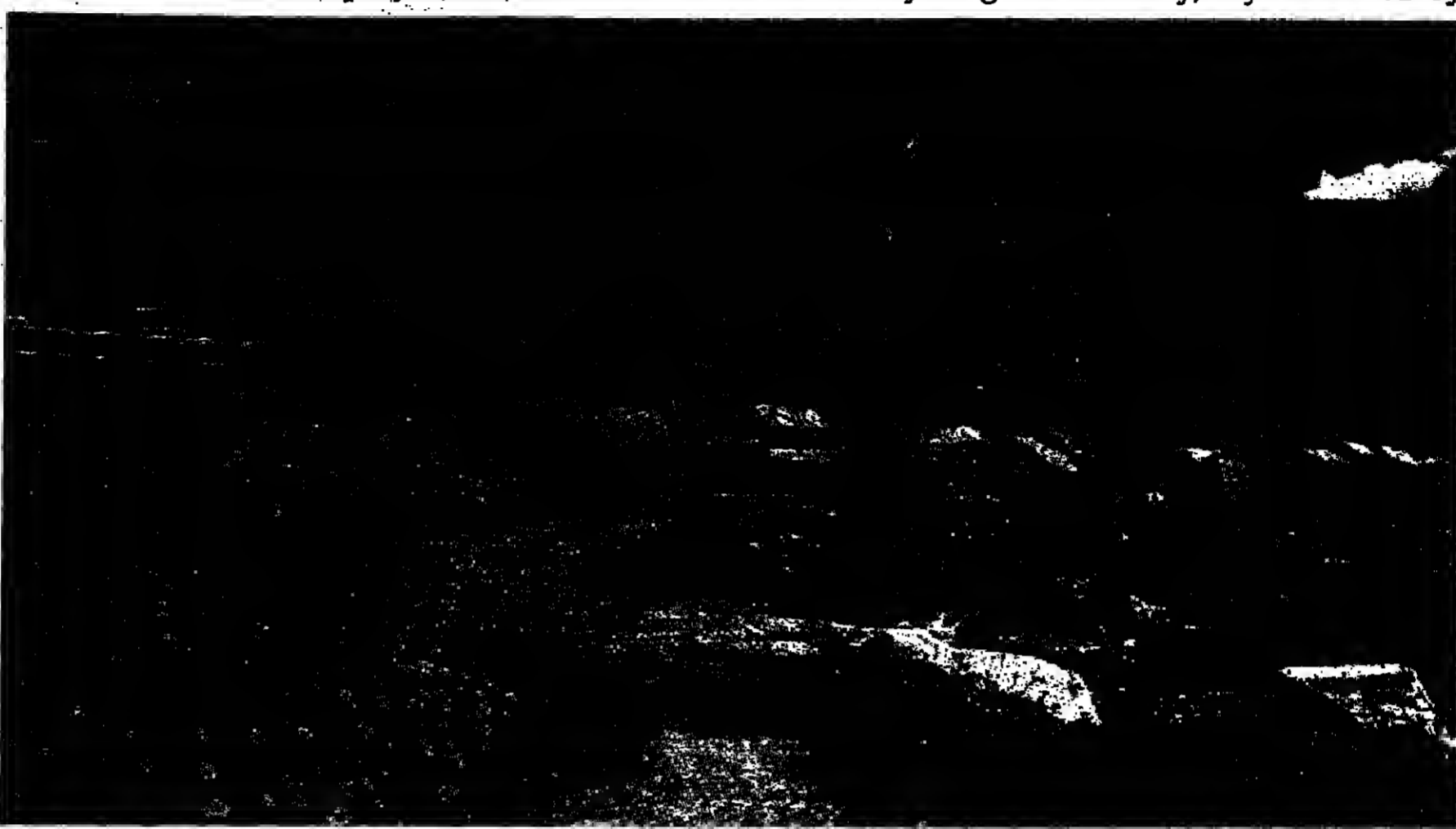


TRAVEL

Carthage reborn as a leafy suburb

Surreal touches of antiquity make a visit to modern Tunis anything but ordinary, says Martin Hoyle

Carthago delenda est - "Carthage must be destroyed". What Rome laid low, Rome rebuilt. Today Carthage is a leafy, rather posh suburb of Tunis...



The theatre at Dougga: ideal for the thespian to let his imagination run wild

It is hard not to keep the imagination reined in while wandering the vast ruined city of Dougga, for instance, with its magnificent temples, its necropolis covered with olive groves and marigolds...

The streets of Dougga still bear the marks of chariot wheels; a picturesque 3rd century compass of winds is visible in the paving of a square; baths, forum, the capitol (one of the greatest Roman monuments in North Africa)...

tourist photo-stop) underline the fact that Tunisia is an archaeological's paradise.

Our guide, Nagib, a young academic with fluent English, is passionate about his country's heritage. As in Italy with its art treasures, there is almost too much to take care of...

On the drive between highspots we note an archaeological site every 10km or so. Apart from natural decay, Tunisia's heritage has to face looting that ranges from high-powered commerce to the social chic that a fragment of statue lends the spartan interior...

merates the enemy: politicians, peasants, journalists...

What surprises most is the variety. For those who think one ruined Afro-Roman city is much like another, Bulla Regia is a revelation. A rather cosy amphitheatre, baths, of course (including a clover-leaf-shaped one reserved for actors), temples to Isis and unknown African gods...

Amazingly, given the market in stolen art treasures, some of the most beautiful mosaics remain in situ. Some houses take their names from their mosaics: the House of Amphitrite, shows a

goddess astride a sea-creature; the Fishing House, the House of the Peacock and the House of the Hunt provide examples of the extraordinarily subtle art of mosaic, depicting the delicate shadings of human flesh, the supple litheness of birds, beasts and (especially) fish.

If you are by now hooked, the Bardo Museum is where to get your fix of mosaics. Housed in an 18th century palace in Tunis, its treasures include the only portrait of Virgil - a 2nd century mosaic. It is interesting to observe how, in the 6th century, Christianity had introduced a new stiltedness in the depiction of the body; and the fascinating process of assimila-

tion (Bacchus turning into Christ).

A wonderful Orpheus and his charmed beasts (from Oudna, still being excavated and yielding up its secrets) occupy a whole wall. There are depictions of strange fair-haired hunters in trousers with padding-besta collars; Vandals, the first northern tourists. There are Roman memorial inscriptions to the dead: to Crispina, whose sorrowing parents record her death at eight years, 10 months, 23 days and one hour old.

Numidians, Berbers, Phoenicians, Romans and Spaniards have all left their mark on Tunisia. A devout but tolerant Moslem country, it is more easy-going than its neighbours.

strife-torn Algeria and temperamental Libya (with whom it maintains friendly relations).

In the holy city of Kairouan (seven pilgrimages here equal one to Mecca) we visit the oldest mosque in North Africa. Paradoxically, the mixture of styles in its building materials seems typically Tunisian. The huge white marble courtyard is flanked by cloisters with columns that range from Roman to Byzantine to florid Greco. The stones in the minaret have been recycled: some bear Roman inscriptions. Built in 895, the mosque has been rebuilt and added to over the centuries. As in many pilgrim cities there is thriving commerce: Kairouan is a centre of the rug and carpet trade.

Tunisia, however, is more than an antiquarian's playground. A varied and fertile landscape (the country was the granary of ancient Rome), it starts with curiously Scottish-like green hills in the north and gives way to desert in the south. Among Tunisia's Mediterranean resorts, Sousse is the centre of much coastal development - omnibus words in Spain or Greece, implying some exhilarating new architecture, great curved white buildings like elegant ships housing flats and shopping complexes. The people are genuinely friendly. A street vendor who pesters you to buy (usually delicious flat bread) is quickly deterred and regards you with gentle, reproachful curiosity.

Food is less spicy than expected, and healthy, with emphasis on fresh fish, fruit and vegetables (yes, there is more to North African cuisine than cous-cous and brie, a wafer envelope with runny egg inside). And Islam does not prevent Tunisia from being proud of its wine. Meals are generously good value. At a beach-side restaurant, a multi-course dinner that started like many eastern meals, with a host of small dishes, mainly fresh fish, came to about £20 a head including good wine.

My trip emphasised Tunisia's Roman archaeological riches, but every town has its picturesque Arab heart, the medina, with its fortified centre, the kashsh. And small villages reveal unexpected Hispanic influences. There are perfect (and touristic) spots like Sidi Bou Said, a hillside village winding up cobbled streets, its houses a symphony in white walls and blue doors shutters and ironwork, discovered and patronised by the Edwardian English composer d'Erlanger.

Tunisia combines European and Arab and African. It is as much a Mediterranean country as France, as rich in Roman antiquity as Sicily, and has an Arab-African identity all its own. Tunis Air and British Airways run flights to Tunis-Carthage from Heathrow and Gatwick. Martin Hoyle travelled with Aspects of Tunisia, Wigmores Holidays and Travel Ltd, 122 Wigmore Street, London W1H 9FE (0171-436 4425). More information from the Tunisian National Tourist Office, 77A Wigmore Street, London, Tel: 0171-224 5561, fax: 0171-224 4053.

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ARTS

It is now over six years since John Willis of Channel 4 asked me to lunch to suggest that the BFI should consider making a series to commemorate the then distant centenary of cinema, which would fall in 1995. If I had known then that the task I was being set would devour more than three years of my life I might well have refused the invitation.

But if I had, I would have passed up not only a rare opportunity to reveal the extraordinarily rich diversity of the first 100 years of cinema but also a unique insight into the geo-economics and politics of culture as we approach the millennium. In one of the most ambitious tributes ever paid by the small screen to the big screen I found myself travelling to five continents with films being shot in 16 countries and a final overall budget which probably came close to \$5,000,000.

The first problem was to find the angle. How on earth could one reduce the history of cinema to the most popular and arguably the most powerful art of all time to a television series? For the first nine months, only one principle emerged. There was no point in a history which focused only on the ever more dominant cinema of Hollywood. One of the most striking features of cinema's past is the speed with which the Lumiere brothers' invention spread. One year after the first public show on December 28 1895, cinema had been seen from one end of the world to the other.

Over lunch at the Sunset Marquis with Florence Dauman, daughter of the great French producer, a simple solution emerged. In February 1991, abandon the impossible quest for a total history, opt instead for individual essays by great directors on their own cinema, and trust that from an incredible variety of approaches something of the complexity of the century of cinema would emerge.

If the concept was now in place, we needed stars. In this field there was probably only one global star: Martin Scorsese, not only one of America's greatest directors but also a great film historian, a man who has been described as the pope of cinema.

It was in the Marquis on Sunset six months later over breakfast with Stephen Frears, then shooting at Columbia with Dustin Hoffman, that I made the pitch. Could I persuade him to take on the history of British cinema? Perhaps more importantly, could he recommend the project to Scorsese? Frears's affable, not to say scruffy, exterior fronts one of the sharpest minds in the business. The answer was as precise as one might expect from someone trained as a lawyer. I could use his name and he would recommend the project to Scorsese, but I must understand that he would not make a final commitment until he was sure that there really was a history of British cinema that he wished to recount.

The first problem was Scorsese's schedule. The problem was not his finding the time to make a major documentary while he pursued his energetic career as director and producer. It was finding the time even to discuss the project. I was finally ushered into the great man's presence in between pre-production meetings for *The Age of Innocence*. Scorsese gave me a master-class on British movies of the 1930s. Not Hitchcock or Korda but the quota quickies and a string of directors whose names,



Musical misery: Ingrid Bergman mopes into her violin in a poster for Gregory Ratoff's 1938 weepie "Intermezzo". The poster, painted by S. Almaloti, is part of an exhibition of Greek cinema art currently on display in the circle of the Lyttelton Theatre, London (until September 7). The release of new Hollywood movies provided a rich source of employment for young Greek artists who practised their skills in reproducing the various vamps, sirens and stars of the age.

# Mission: (almost) impossible

Colin McCabe on Channel 4's struggle with capital and copyright to celebrate 100 years of cinema

to my shame, I barely recognised. Reluctantly I had to tell him that Frears was in-inked-in for the British programme, but it was clear that, however busy he was, Scorsese was going to make a history of American movies, indeed nothing was going to stop him. About the series he confessed some scepticism. He was not against it but the history of such international multi-partnered projects was grim.

How grim I was about to find out. With Scorsese confirmed, we had the basis for a "club production": each territory covered the cost of its own production and then exchanged the foreign rights of its film against the domestic rights of all the other films in the series. Everybody who signed up now was guaranteed both Scorsese's name and a feast of Hollywood clips.

Anticipating difficulties, I recruited Bob Last to produce the series with me. Bob is best described as an anarcho-capitalist:

a graduate of punk management, he combined a high level of critical awareness with the legal skills of somebody who had been through the record industry the hard way.

Together we were to confront the realities of capital and copyright at the end of the millennium. Many of the Hollywood studios have no concept whatsoever of either public record or cultural history. From their view, they own material which is there to exploit, and any other exploitation is potentially in competition with them. No licensing of rights to anybody for any purpose. I doubt whether, without an internationally agreed change in copyright law, any future production will assemble together so many clips from so many copyright holders.

If Scorsese gave us something to sell, we still had to raise the money around the world. An early boost came from Hong Kong based Star TV which offered to fund India and China. But before

the contracts from Star arrived, it was taken over by Rupert Murdoch. I rang a friend in the upper echelons of News International. It was possible that the contracts would arrive but I should know that the company's policy was clear - no money for anything on which they did not take global rights. The very kind of production I was trying to mount would become impossible in a world dominated by global distributors.

At this point and as Star pulled out, the series became a mission. The national economies of the first half of the century had allowed many people to record their visions on celluloid. I was determined that the series would bear witness to this plurality of vision, to insist that a global culture must recognise local variety.

The director who I felt most shared this sense of the particularity of cinema was Krzysztof Kieslowski. His own perspective was most unusual; he was not interested in director auteurs or

in studio histories. He wished to make a film about the audience - to follow the history of cinema in Poland through the memories of the people and, if the technology allowed, to place those individuals in their favourite films.

Studio Tor, which had nourished him through the 1970s and '80s were not willing to let him direct a project which did not see the studio and Poland receive large sums of money. The notion of an indignant British arts institution was just another rip-off from the west. In the end we agreed that his assistant, Pawel Lozinski, would realise the project. This fascinating documentary gave me some comfort when I saw it months after Kieslowski's death. It provides a fascinating epilogue to the career of this most Polish of filmmakers.

As I write it looks as though 16 countries and regions will be in the series. There is no Spain, because early on it became clear we would have to retain one Euro-

pean territory to finance programmes from India and China. There will be no Italy, and this is a bitter blow, because it seemed that Rai could not provide the labour to get the necessary clearances; I console myself with the thought that it is a well known cinema and Europe is well represented in the series.

But the lack of a film on Egyptian cinema with its 3,000 films, its spectacular melodramatic musicals and intimate links with Britain is still painful. As I close the books on the series can I use the pages of the FT for a final pitch: will anyone sponsor a film by Youssef Chahine, the giant of Egyptian cinema, so that the series will include one cinema from all Arab culture?

Colin McCabe is head of education and information at the BFI. *The Indian, Chinese, Polish and Russian films are screening in official selection at the Venice Film Festival next Friday and Saturday.*

It is, paradoxically, some indication of the value of the BBC3 series *Picture This* that there is practically nothing you can say about it by way of summary or as a general critical evaluation. It is a series of eight half-hour documentaries, each made by a different "newcomer", though that is not strictly defined; none is entirely new to the business, yet none has made a full blown network documentary before. The first four range from a deeply personal statement to a tongue-in-cheek report which never gets round to actually picturing its subject.

The description offered by the series itself is an old cliché: "Windows on our world", but it serves perfectly well. It was the phrase used 30 and more years ago by programmes such as *Man Alive* when they set out to combine the functions of the documentary film movement, the extended cinema

## Television/Christopher Dunkley

### Quiet voices, real lives

newsreels (*Look At Life*) and Britain's photo-news magazines (*Picture Post*) to tell us about our own lives in a straightforward manner. The recent concentration in television current affairs departments on the drama of the emergency services and "fly on the wall" work has tended to displace this quieter material. But *Picture This* proves that its uses have not diminished.

Describing the approach as "straightforward" and "quieter" may be misleading; there is no lack of style here. If anything the opening programme, Francesca Joseph's *Four Tarts And A Tenor*, had a bit too much style. It described the visit of Luciano Pavarotti to the 1995 esteddfod in Llangollen, 40 years after his success there with the Modena choir, and adopted the "cut-up" technique: several interviews are sliced up and the pieces shuffled.

Happily Joseph used it less frenetically and more effectively than some, but even so the mannerism is so obtrusive that the viewer can become impatient, wondering "Why can't we hear what this person has to say instead of never staying long enough for more than half a thought?" The nice joke was that the nearest we ever got to Pavarotti himself was a shadow on the inside of the esteddfod marquee. The details of his visit were con-

veyed to us entirely by those who made the arrangements: removing the allergenic pollen from the platform flowers, pondering on the height of his bed, fetching seaweed cheese, and so on. When someone leaves such deep impressions behind, who needs the first person singular?

With the second programme by Jeremy Howe, *A Moving Image*, we were overwhelmed by the first person singular. Howe is the widower of the woman murdered at the Open University summer school in York four years ago, and this programme was presented as some sort of therapy.

The trouble was that Howe was so keen to adopt the American habit of letting it all hang out, Oprah Winfrey style, on television, cataloguing his grief and pain and that of his children, that the viewer was drawn back, willy nilly, via embarrassment to distaste. The sympathy with which you began was dissipated by insistent breast baring, emphasised with contrived Hollywood-style shots of rainy wind-screens, personal possessions in frosty fields, and so on. You ended up wishing that television had done rather less to destroy the old English virtues of reticence and the stiff upper lip.

In this week's programme, *Criff-Chaff Chams*, Lorraine Charker looked at two Girl Guide leaders, Marilyn and Jane, as they ran a camp for dozens of girls during a week of rain. Since the attitude of the ignorant towards Scouts and Guides has always been one of fond ridicule it seemed a pity that Charker could not lift upon something more radical to inform her programme, a more analytically critical approach, perhaps, or an undermining of the usual affectionate mockery with a revelation of the real benefits of the movement. But no. It was all "Ging Gang Goolly" and Creamole rice as usual. There were telling moments - the queue at the phone box to make revealing calls home, Jane's obvious terror at trying to abscond for the first time - but not many.

The programme this coming Tuesday, *Remember Smith*, made by Jonathan Albert, is, structurally, one of the most conventional so far, and also the most powerful. It tells of the life and death of a man I had never heard of: Albert Johannsson, a South African who played football for Leeds United, was the first black player to participate in a Wembley Cup Final, became an alcoholic, and last autumn was found dead by the police in a run-down flat. Smith interviews his friends, brings out their liking for the man and their puzzlement at his decline, and conveys a deep sense of poignancy and waste. It is not an overwhelmingly profound document, but it gives you a brief, vivid impression of one life - not unlike a view suddenly spied through a previously unknown window.

## Cluedo elevated to black comedy

Martin Hoyle reviews Alan Ayckbourn

At the heart of Alan Ayckbourn's humour lies his ability to juxtapose the banal and the profound, to hilarious and sometimes terrifying effect. This gift reaches its apogee in the polite inarticulateness with which the English middle classes haltingly deal with heartbreak or homicide or simply the presence of evil - "there's a lot of it about," as they say in *Man of the Moment*. The shadow of a stumbling comical Lear asking for help to undo that button looms over Ayckbourn's work. But the kindness of strangers is not always forthcoming; and our smiles freeze at the cruelty of his suburban jungle where predator stalks prey and the weak go to the wall.

There is a classic Ayckbourn moment in this new comedy-thriller, *It Could Be Any One Of Us* at the Stephen Joseph Theatre, Scarborough. A frightened woman, knowing herself to be a potential murder victim in the dark, old house where she is staying with a picture equally mad brood, sits at the piano and sings to keep her spirits up. Unfortunately her repertoire is limited to plonking renderings of the inanely jolly ditties made up for her children. The contrast between terror and quavering ineptitude is achingly Ayckbourn. It prompts mirth and, as so often, guilt at our

own laughter. It also provides the best moment in this decidedly patchy comedy. We are in the home of a deeply artistic trio, two brothers and a sister, possibly inspired by Scarborough's most famous summer residents, the Sitwells. Alas, Jocelyn has never completed any of her 34 books. Nobody has seen any of the paintings that have occupied gentle, doozily Brinton for over 20 years. And despite Mortimer's vast oeuvre, no-one has ever played his music still, he brandishes a cherished Young Composer of the Year award contemptuously at his siblings - a scripted bronze treble clef which will later be put to murderous use.

place normality that we love watching freeze into incredulous horror in so many Ayckbourn plays, and whom Janet Dibley invests with a perfect mix of cheerful obtuseness and sudden insight.

Unhappily the play fails to ignite. It lacks Ayckbourn's fiendish jigsaw construction and legerdemain plotting. The third act contains stretches of character exposition cumbersome by the author's own standards, though Juliet Mills comes into her own in Jocelyn's groping for niceness and normality - a sympathetic performance marred by fluffed delivery. The Act 2 murder is belated and unsurprising, the Act 3 unravelling contrived; and the laughs are fewer than usual, all the more noticeable for the cartoon, even caricature, nature of the characters - an arty misfit clan from an updated version of "Happy Families".

The author's direction evokes customary fine performances: from Malcolm Renzie as the odious Mortimer, Richard Derrington's wistfully panicky Brinton, and Tabitha Wady as the muttonous teenager, Jon Strickland, an old Ayckbourn hand, hits off the inept amateur sleuth to a T. The characters are all there but, speaking as a fully-paid up subscriber to this particular A.A., I can only ask, where is the play?

## Radio

### Too many morals

Was it my imagination, but as I walked out one morning last week were an inordinate number of people puffing defiantly at fags at bus-stops, in doorways, coming out of shops? Or was I extra conscious of smoking after an edition of *The Moral Maze* where the sanctimonious and self-righteous were abnormally in evidence?

Even more than drink or drugs, smoking is a topic that brings out those partisans, closed of mind and thin of lips, who know what is good for people better than people do themselves. One self-voiced example was an Oxford academic who droned on bannously, almost vindictively, a true heir of Malvollo. Thoughts of cakes and ale verboten to mind - not just mine but also, to my annoyance, to Dr David Starkey's.

Pundits in the discussion series *No Illusions*, cynically chaired by Francine Stock, turned to indecency. Two of the panel were transatlantic women who professed ignorance and bewilderment at English terminology and British law; a glib-tongued Celt, apparently a lawyer, who sneered at the commonsense definition of indecency by Lord Denning; a monsignor involved with some moral organisation or other who opined that dear ones - mothers, grandmothers - should be kept safe, rather as if they were volatile explosives; and an Englishwoman interested in film and video. My initial surmise that such an inchoate gathering is slapped together for the benefit of itself (and its mothers and grandmothers) soon proved correct.

But then my day had begun with *North of Watford*; this week a discussion from Glasgow full of people called Sean and Sian who illustrated why the stolid Anglo-Saxons have domination of these islands by shrilly falling out with one another. The subject was minority languages, in particular the Celtic revival. The sanest of Welshmen who said that socio-economic factors made English an important language, a historical process no less relevant to Celts than the Irish putting up signposts in Erse. Most hysterical was a woman who envisaged us becoming multi-lingual Europeans casually slipping into the native tongue of our holiday resort, including Breton and Catalan.

Amid the complacent non-entities that increasingly infest the airwaves *Survivors* stands out with blessed sense, articulateness and compassion. Yesterday we met Mala, an East African Asian, who had survived inner suffering more drastic than the tumour that deprived her of her nose as a child. Religious guilt and a feeling of unworthiness were added to constant operations and her family's exile and hard times in England. A job at the Home Office - as a disgraced Asian woman she filled every quota admirably - led to self-respect until a colleague made an unseemable remark about the civil service employing freaks. But Mala has won her battles: she is balanced, intelligent and un-bitter. Her psycho-therapist sounds marvellous - no fumbling "counselor" but a clear-eyed, sensitive woman. And the style and controlled passion of presenter John Man makes most of his colleagues sound dowdy.

M.H.

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ARTS

future's bright youth

The show of contemporary Chinese painting at Edinburgh's Fruitmarket Gallery is not large or daunting, nor is it especially difficult or challenging in the particular works it celebrates, yet it is quite as intriguing as anything seen in Edinburgh - or anywhere else for that matter - for some considerable time. The clue lies in its title, *Reckoning with the Past*, and what gives it its point is its collective provenance.

The work comes from what are, if only for a little longer, the three modern Chinas of Taiwan, Hong Kong and the People's Republic. Given the immediate prospect of Hong Kong once more being the wayward child of Beijing, given the ever-present insecurity of Taiwan and, above all, given the wickednesses suffered by China within such recent memory, it is just as much a case of *Reckoning with the Present*.

The odd thing about the show is its coherence, a curious community of sensibility and preoccupation. And if it so happens that the more interesting of the artists prove to be from the Republic, it says no more than that there is the largest contingent. The common thread is an engagement with the Chinese tradition, direct or indirect, but never as passive or rigid orthodoxy. The modernism too is, for the most part, unforced. The sense is of the natural assimilation of influence, and of commentary upon experience.

Familiar though they have lately become, most immediately striking are the large portrait heads of Zhang Xiaogang, disquietingly inscrutable with their flat sprayed surfaces and delicate arbitrary impositions of line and colour. But the smaller compositions of Wei Dong are no less impressive with the surreal shifts of scale by which the figures are set into the ancient Chinese landscape, their febrile realism and the ambiguous, wry eroticism. The *"Vandalised Murals"* of Mao Lixi are at once testimony to the devastated past, and exquisitely painted both as surface and image. So too, though less obviously in the actual reference, are the formal yet whimsical paintings of He Dingling - tender realism, geometrical abstraction, anti-echoes of the painterly past resolved together.

Caifun Innes, at Inverleith House, shows the work of the last six years by which he has come from youthful obscurity to the short lists, last year, of both the Jerwood and the Turner Prizes. He is a painter, it must be said, of a fashionable sort, in that his critical success has rested largely on the idea of process, by which his paintings are contrived: A ground of oil paint is laid on, only to be selectively washed away in streams of turpentine, channelled now this way, now that. It is all so conceptual, don't you know, so



China comes to terms with its past and present: 'Comrades, No.1' by Zhang Xiaogang

# Shades of Red

William Packer reviews exhibitions in Edinburgh

metaphysical, so pure. The truth is that the painter is free to use whatever means he chooses to achieve his end, and if, for Innes, it is the swab and funnel rather than the brush, so be it. He is a painter for all that, who has discovered that a wash of turps produces the most delicate of effects, especially in combination with the capillary action of the canvas. He is a minimalist in a tradition that goes back to Malevich and Mondrian, and has made some of the most beautiful paintings of the 1990s. It is as simple as that.

Helen Chadwick died suddenly and tragically young earlier this year, in the full flow of her career, which gives her small show at the Portfolio Gallery, *"Stilled Lives"*, that she had planned but not completed, an added poignancy. It consists of the

large coloured photographs that had long been her principle medium, this time of human embryos and dandelion clocks together, set into proper discs and clipped into various conformations. The *"Nebula"* is a string or necklace of these images, the *"Monstance"* formal, mystical and celebratory, *"Opal"* a swirl or galaxy. These are supplemented by a small selection of earlier and complementary works.

With Chadwick, the feminist polemic was always central to the work, its driving imaginative and intellectual force. The trouble was that too often the argument was taken as sufficient aesthetic justification in itself, and centred as it was so often upon her physical self in image and performance, it became a case rather of heads she won, tails we lost. But as she learnt to keep her

# Funny, serious and completely uneven

Alastair Macaulay reviews drama on the Fringe

For years now, the Assembly Rooms in George Street have been one of the main centres of Edinburgh Festival Fringe activity. It seems absurd now to remember that, less than 20 years ago, the Festival Club used to be located here. Each of the several rooms where once you met friends, for quiet cups of tea or much-needed between-shows drinks, now presents six different shows per day.

"Lighten Up" say the banners hanging outside this year. This seems inappropriate when you discover that the Assembly Rooms are billing, as their "theatrical highlight of 1996", the Georgian Film Actors Studio in *King Lear*. This is directed by David Dolisashvili, a 25-year-old wunderkind who, although anglophonically challenged, is currently rehearsing Arthur Miller's *Crucible* at the West Yorkshire Playhouse.

In this case, he seems chiefly concerned with rewriting Shakespeare's play. Cordelia sings (in largely undecipherable English) the Fool's songs throughout the play. Regan and Goneril give birth simultaneously; and Cordelia, coming back to life, leads Lear into a sweet apotheosis, like Dulcinea leading Don Quixote into the never-never. Worse than this is the drippy mega-saccharine Europop music (taped) in which most scenes are drenched.

This would rank among the most terrible Shakespeare productions I have ever seen were it not for the old-fashioned professional skill of its actors. The vitality, dignity, and authority they bring to the production are its only Shakespearian ingredients.

Does Dorothy Wordsworth become a more interesting theatrical character by being played like an overwrought and frustrated semi-hysterical? Not to judge by Kelly Hunter's performance (also

Assembly Rooms) of DW's journals in *Erzicite Sister*. No recollection in tranquility here: Hunter even utters the line "I ironed until four" as if in a fever. She so emphasises all the tension of Dorothy's life - the wracking toothaches, the heaving stammer, the desire for Coleridge, the intense affection for her brothers - that she turns the simpler joys of Dorothy's life into not-quite-convincing efforts at sublimation or escapism.

Patrick Marber's *Dealer's Choice*, new in January 1996 at the National Theatre and

stage. His character, Lloyd, loses his wife to his twin sister; and going to an all-male support group is a neat vehicle for lots of imitations. It is a Berkoffian exercise, without the bile, and brisk.

Hadlow and his director, Colin McCull, have transposed the setting of the show to Scotland, and the various references to Prince's Street, Berwick, etc. sound forced. Most of the show is a little too slick. Whenever Hadlow lets himself seem more artless, he becomes more touching and more funny.

I am largely immune to jokes about the stupidity of the Irish. But O'Neill himself is so engaging in *Curra O'Neill* (Traverse 1, in repertory until August 25) that I hardly want to say that his collection of anecdotes about the stupidity of the Irish in London is, though fresh, not very funny - although parts of the audience were evidently in noisy and happy disagreement with me.

*Shining Souls* by Chris Hannan at Traverse 1 (in repertory until August 31) is the most ambitious play I have seen for quite a while. It is partly a Goldwynian farce about a woman whom four different men find attractive (two of them, both called Billy, want her to choose between them today), partly a social-realist drama about the lives of the poor in Scotland, and partly a study in spiritual transcendence and psychological complexity.

But in every department it sometimes fails, and aspects of the acting and directing (by Ian Brown) are oddly leaden. Stuart McQuarrie's stiff torso and constant re-use of the same gesture with both arms were especially silly in an actor whose moments of high power produce some of the play's strangest and most interesting moments. Funny, serious, completely uneven.

*All Over Lovely* at Traverse 2, now ended, was semi-lesbian, semi-feminist, semi-talented, semi-full.



subsequently successful in the West End, is currently playing at the Fringe Club. This funny, dark study of the pressures exerted by heterosexual men upon each other, specifically here in the realm of poker, remains one of the strongest new British plays of recent years.

The production has changed in some respects (though the revolving stage in Act 2 still makes remarkable effect). Though not all the acting since its premiere, five of its six roles are now played by different actors) is as vividly convincing, the pacing of the show is even more full of striking contrasts and reversals.

Mark Hadlow, an award-winning New Zealander, is an exceptionally accomplished mimic and physical performer. In *S.N.A.C. - o Sensitive, New Aged Guy* at Traverse 2, (in repertory until August 31) he starts the show with a bilious stroke, tumbling onto the audience, as if by mistake, smack upside down onto the

# Return of the comedy sketch

And no new fads, either. Political ranting is still out of favour; observational comedy is getting heavy-eyed; women comedians remain unobtrusive. If anything there is a return of the comedy sketch, and it is no handicap if you went to Cambridge.

These two trends happily collided in Armstrong and Miller. Puncty Individuals, dripping with charm, they choose unpromising subjects such as management training courses and Norwegian rockers and parody them. They are also cheeky enough to dispense with punchlines. The imaginative leaps are



Pythonesque, but if the targets are bizarre the humour is restrained. Also from Cambridge, and much wittier, is Ben Moor, whose act is rare in coming complete with a plot. But it is the word play that delights, from the prophet Mohammed's famous aphorism "I've seen the future and it's Turks" to the assumption that "the last day of the Olympics, as usual, brings the parents' races." He deserved a Perrier nomination - perhaps the one that went to fellow Cambridge man, Al Murray.

Murray is a character comedian. His character is a cockney pub landlord holding a lock-in, his customers captive to his bigoted opinions. It is a powerful performance, frightening in its intensity. Scotland is bravely described as "the left extension of England"; bigamists are big because they have to eat two dinners; life is like a ploughman's lunch - "you never know what you'll get".

But the likely winner of the Perrier is Bill Bailey. He is very funny; he is also a skilled musician, ending his

act with the *Dr Who* theme tune as performed by a Belgian jazz group of the 1950s. He seamlessly includes Wittgenstein and custard creams in the same joke and can get 10 minutes' spontaneous material from a heekle. He might have to smarten up his hippy appearance for TV, but, as he says, "I'm a hippy materialist - I like stuff but I can't remember where half of it is."

The rest of the competition for the £3,000 prize comes from three observational comedians: Rich Hall - that rarity, an American with a sense of irony; Dominic Holland, with sweet tales of suburban angst; and Dylan Moran, a beguiling mixture of doe eyes and Irish flights of fancy. Observational comedy is a very personal thing. Moran is the strongest of the trio with spontaneously contrived reports from the sex war. Drolleries like "I never loved you - not even before I met you" and "I am a man, or a woman who has let herself go". Hitter his act, but if he wins the Perrier it will be because of his smile.

This seems a good year for Edinburgh humour - professionalism will out. Other comic shows worth catching are *Perrier Not Dead*, Richard Herring's sweet-and-sour playlet on a reunion of Sex Pistols' fans; Tim Vine's *Shambles*, with material collected from old Benos but presented with the guile of a Tommy Cooper; for example, "I was taking the M4 out of London and this bloke said put it back"; and *She Knows You Know*, Jean Ferguson's poignant tribute to Hylda Baker. And try to see Malcolm Hardee, if only for the joke about Ruby Wax.

Antony Thorncroft

Comedy fanciful, comedy political, comedy solo, comedy communal, comedy lewd, comedy daft - comedy till the grin freezes over: it is all on the Edinburgh Fringe, the biggest comedy festival in the world, and probably the best. Almost 200 acts stood a chance of winning the Perrier Award, it is a sign of just how successful the Fringe has been in making a business of comedy in the UK that the six acts short-listed for the Perrier could have been predicted weeks before the festival opened.

So no room now for brilliant unknowns, three big venues - the Assembly Rooms, the Guilded Balloon and the Pleasance - dominate the Fringe, presenting stars to their devoted fans.

boys in a bed on a cold winter's night by James Edwin Parker

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BOOKS

# Pillow talk with Freudian overtones

Jackie Wullschlager on how D.H. Lawrence's liaison with Frieda galvanised his work

**N**o writer was more antipathetic to biography than D.H. Lawrence. His entire fictional oeuvre is a reaction against what he called "the old stable ego of character". By letting the heroes and heroines in *The Rainbow* and *Women in Love* pursue a life of their own, rather than making them act relentlessly in character as 19th-century novelists did, he conveyed the idea of fluidity and change in lives and relationships as no one else had done, and so revolutionised modern fiction.

Ironically, Lawrence bears some responsibility for the current rage for biography, because it is in response to the modernist novel that readers have turned to factual lives for something reassuring and safe - the chronological tale, a depiction of a recognisable subject whose traits the biographer pinpoints, and stabilises as historical truth. And of literary subjects, Lawrence, with his fiery personal life, his outspoken views on sex and women, and the public fights and reconciliations of his marriage, is among the most mesmeric.

This is the seventh biography of him or his wife in the last six years. *Triumph to Exile*, Volume 2 of a three-volume biography, and part of Cambridge's massive project to publish the complete, unexpurgated works and some 5,000 letters, is sensitive, illuminating, full of insight; a worthy successor to John Worthen's masterly account of Lawrence's early years in Volume 1 (1991).

It takes over Lawrence and Frieda as they board the Dover-Ostend ferry in 1912 for their first illicit holiday, to see Frieda's aristocratic von Richthofen family, and leaves them 10 years later, married and famous, on another ship, bound for Ceylon, and then emigré life in Taos, New Mexico.

In between comes the story of Lawrence's richest creative period. The final draft of *Sons and Lovers*, documenting his tortured relations with his mother and early girlfriend Jessie Chambers, was transformed in the glow of his sexual liaison with Frieda. Carefree and promiscuous, she had been the lover of Otto Gross, a psychoanalyst friend of Freud, and via this link Lawrence worked out his own ideas of the primacy of instinct and the blood.

*The Rainbow* forged his reputation but its explicit sexual passages, especially the account of Ursula's lesbian affair with her teacher, fell foul of the censors. *Women in Love*, written after years battling with Frieda,

also lies in the shadow of the first world war: its questions about marriage and eroticism, grief and the frightening blankness of nature, have made it one of our century's most popular novels.

This story of how high-powered pillow talk introduced Freudian ideas into mainstream English culture is an enthralling episode in literary history. But it has been told often, most expertly by Brenda Maddox in her life of Lawrence, *The Married Man* (1994), whose sweep and boldness of sexual theme Kinkad-Weekes does not try to match.

Did Frieda and Lawrence soon fall to get it together in bed? Tatlers such as Katherine Mansfield claimed that this is what they confided, and certainly Lawrence's overwrought proclamations

**D.H. LAWRENCE: TRIUMPH TO EXILE 1912-1922**  
by Mark Kinkad-Weekes  
Cambridge £29.95, 343 pages

about the supremacy of the sexual act make one wonder if he doth protest too much. But "what is true sex? How long is a piece of string?" Kinkad-Weekes asks dismissively of the sort of gossip that Maddox handles with relish. More honourable, maybe, less compelling.

What is welcome here, however, is refinement of detail and authentic touch. Time and again an odd letter, a scribble in the margin by Frieda, makes the story blaze afresh. "We are always just us two and we live so hard on each other one day like the lions that ate each other, there will be nothing but two tails left", she writes from exile in Italy after she had left her professor-husband and lost access to her children. "You don't care a damn about those brats really, and they don't care about you," was Lawrence's response as she howled in agony.

She answered with casual affairs, humiliating put-downs, yet "I am a heroic person, to stand him day for day, I tell you. I think I'll put him on a little stool in the garden like his mother, 'now cry there, misery'". How well she understood him, for all her German non-nonsense - the anger/idealism of his friendships as well as his books, for example: "L. approaches all people [women specially] as if they were Gothic cathedrals, then he finds that they are little houses and hates them for it."

Did Lawrence pioneer a sympathy for women's sexuality, or did his advocacy of female dissatisfaction in



works like *The Plumed Serpent* show a loathing for the female sex? Forget feminism versus misogyny, this book suggests: read the letters and you cannot fail to like the man, to admire his honesty and drive, his refusal to compromise with English conservatism ("I want to wash again quick, wash off England, the oldness and grubbiness and despair"). Kinkad-Weekes also makes you like everyone else. Frieda, wandering the streets of Chiswick looking for the house where her children have moved, whose address she is denied, recognising her Nottingham curtains, and hurting in on a family now terrified of her.

Her former husband: "I cannot see her handwriting without trembling like an old cripple - to see her again would be my death. I would kill myself and the children too."

Lady Ottoline Morrell, confidante of Lawrence, opening *Women in Love* to find herself savagely caricatured as Hermione - all are given space and depth. The cost of this balance is the sort of passionate involvement which makes a single-book life like Maddox's Lawrence so unputdownable. By contrast the Cambridge biography is just too long for the general reader. Its scholarly usefulness is undoubted, its erudition impeccable, but

who has time for three volumes of 800 pages each, to cover a life that lasted 44 years?

Nor am I convinced of the value of dividing the work between three different biographers to avoid "a pattern of interpretation... [and] a predictability which plays false to the actualities and unexpectedness of life". Yes, it meets some of Lawrence's reservations about how character is fixed on the page. But I crave biography because it sticks its neck out and creates an outside hero. Like good fiction, it orders life into art, and without the over-reaching vision of one author, an imaginative dimension is missing.

mocking, and if he is saved it is due - finally - to his own sense of irony (a rare enough redeeming relish in the narcissistic cocoon of ego that is at the heart of 19th-century Romanticism). At the end of his life, the ironic white-face comes full circle: he becomes Mephistopheles to his own Faust - and no-one is less surprised than he.

For anyone lacking the stamina to trawl through the six-volume edition of the *Correspondence Generals* (a seventh is currently in preparation), Macdonald's canny selection forms a pungent point of entry - though no-one should eschew the *Memories*, which, with the *Journals* of Delacroix, are one of the most-read classics of 19th-century confessional literature. Auden's claim that it is essential to understand Berlioz, is not so far-fetched as it seems: *The Selected Letters* give a tantalising insight into the creative and domestic world of one who was the quintessence of Romanticism - a complex, disturbing and mainly misunderstood creature who had, all his life, Virgil's *clangor tubarum* in his head.

Michael Pollard

# A broad church for politicians

Ian Hargreaves on what unites the left and the holy

**T**hat Tony Blair is both a paid up Christian Socialist and the likeliest next prime minister of the UK indicates the reason why Chris Bryant's book will reach a wider audience than might otherwise have been the case. Bryant, himself an ordained Anglican vicar now seeking to become a Labour MP, chairs the Christian Socialist Movement, a small affiliated to the Labour Party beneath whose superstructure this historical excavation takes place.

And a complex excavation it proves to be too. Bryant hustles through English history - for this is a book almost entirely confined to affairs in England, even though both the last two Labour leaders have been Scots Christian Socialists - from the Peasants' Revolt, through Diggers, Tolpuddle Martyrs and many less memorable schisms and conflicts. It is a story which constantly shifts between confessional poles, with the lead now falling to Quakers, Methodists or other dissenters and then shifting back towards its Catholic or Anglo-Catholic base.

The narrative is not made easier by the fact that the author admits to the fold of Christian Socialism anyone who chooses the label. So the congregation includes Tony Benn, Tom Driberg, Mervyn Stockwood, Harold Wilson, Hilaire Belloc, Terry Eagleton, Stafford Cripps, R.H. Tawney and Eric Hoffer alongside Blair and Smith. It may be wondered what exactly connects the languid intellectual self-confidence of the Victorian Christian Socialist Union, glorying in "its indefiniteness and considering it a crime to arrive at any particular economic conclusion" to the programmatic, anti-nuclear stance of 1980s Bennism.

Christian Socialism has over the years contained, within its ranks anarchists,

Stalinists, pacifists and Clause 4 stalwarts. Yet it cannot be denied that some of the most important thinkers in Britain's democratic socialist tradition, such as Tawney and William Temple, chose primarily to define their work within a framework of Christian Socialism and that their influence upon Beveridge's designs for the welfare state were of great importance. We may not be able easily to say what Christian Socialism is, but it is certainly capable of making a difference.

Tawney's statement of principle that "every human being is of infinite importance and therefore no consideration of expediency can justify the oppression of one

**POSSIBLE DREAMS: A PERSONAL HISTORY OF BRITISH CHRISTIAN SOCIALISTS**  
by Chris Bryant  
Hodder & Stoughton £25, 272 pages

by another", coupled with Bishop Temple's shrewdly urbane comment that "the art of government is that art of so ordering life that self-interest prompts what justice demands" are as recognisable in Beveridge as they are the tests that those on the left who now seek to modernise the welfare state know they must meet.

It is in part the very breadth of the Christian Socialist tradition that makes it so useful to Blair. Its character is so protean, so open to re-interpretation that we may as well be told that Blair is a human being as be told that he is a Christian Socialist. In one way, this is perfect for Blair's style and mission, which is shifting, elusive and provisional rather than sturdily ideological or programmatic. At the same time, Christian or Ethical Socialism represents for Blair a way of stepping outside the tradition of scientific Marxism. Leave

aside the fact that Blair's own inspiration as a young man, the Scots Quaker John Macmurray, was a Communist, the mature Blair has no interest in the language of class war nor a deterministic view of history.

It is also crucial to understand that Blair's own faith is ecumenical rather than factional. He is himself a confirmed Anglican, married to a Roman Catholic. When conservative Sunday newspapers express horror that Blair may have taken Mass at the Catholic church, he attends most Sundays; they fail to realise that to Blair the factionalism which makes this a difficulty - although mighty in substance for those who feel it - is a matter of no personal concern to himself, in religion as in politics. Blair sees himself standing outside established factions; it explains both the breadth of his appeal and his sense of isolation within his own party.

Beyond functionalism, the most important aspect of Blair's Christian Socialism is its moral energy. Although this may over the years have expressed itself in causes as diverse as the Aldermaston marches and the breaking of machines, the central moral premise of British ethical socialism is, indeed, Tawney's insistence upon the cause of social justice. In a period of consensual nomic thinking between the parties, Blair's struggle to re-define the meaning of good old socialist words like fairness, social justice and equality of opportunity are at the heart of his political purpose. He is too much a man of a secular age to call this a search for a New Jerusalem or the shining city on the hill. Nigel Lawson, high priest of economic neo-liberalism, once said, at the height of Thatcherism's hubris, that "all that is left to socialism is the moral high ground". As Bryant notes, he thereby conceded much.

Rereadings/A.C. Grayling

# A Classical answer to cultural decay

**T**o be ignorant of history is to be condemned to repeat it. So says the aphorism, and it is especially true of the history of ideas. In contemporary western society there is much wringing of hands about our supposed spiritual poverty and moral decay, part of the blame for which is apportioned to "mass culture", heist summed up as the business of purveying such intellectual nourishment as page three girls to such intellectual giants as larger lumps. The complainers divide into two camps, between whom there is no natural affinity: the morally squeamish and the culturally fastidious.

The morally squeamish are those who prefer their piano legs trousered. There are many reasons, mainly psychological and conventional, why such folk are afraid of the instinctual, the basic, the appetitive in human experience - in short sex and its adjuncts like nudity, wild dancing, youth. They therefore try to stop other people acting or thinking accordingly, except in controlled, socially-sanctioned ways. If the world divides into life-enhancers and life-deniers, they are firmly in the latter camp.

The complaint of the culturally fastidious is the sad state of mass culture, which they apostrophise as shallow, loud, repetitive, predictable, garish, tasteless and, when not mind-numbing, nauseating. This description is applied to pop music, the bludge of television, and the tabloid press. Alas they are largely right: but the generalisation leads them to overlook what is funny, clever and wise in that culture too. And they forget that the origins of high culture lie in folk culture: the roots of the symphony, for example, lie centuries deep in campfire singing and drumming.

It is not moral squeamishness but the question of culture and the spiritual state of society that I write about here. In talking of matters spiritual I do not mean religion: on some views, supernatural beliefs are a sign

rather of spiritual malaise than health. I mean instead what affects the human spirit, that aspect of life which concerns our self-understanding, our perceptiveness about others, and our knowledge of the world, and which, when rich, enables us to live more fully, flourishingly and imaginatively, and when poor, makes us prisoners of ignorance and the merely here-and-now.

On the question whether popular culture enriches rather than impoverishes, the culturally fastidious

is needed to promote a renewed, Classical ethos of flexible intelligence and a "regard for the whole", and to combat "Philistinism", a term coined by Arnold to denote an attitude of selfish concern for one's own material interests at the expense of society.

In *Culture and Anarchy* Arnold put his point in terms of an antithesis between the illuminated mind which "sees things as they are" and the narrow mentality concerned only for itself. "Not a having and a becoming, is the character of perfection as culture conceives it," wrote Arnold; and he further claimed that "individual perfection is impossible so long as the rest of mankind is not perfected along with us." This marks Arnold's commitment to the ideal of a community whose members are able to rise above mere self-interest.

Arnold's answer to cultural decay is therefore a return to Classical ideals not just for individuals as such but for individuals together in society. Appreciation of literature and wide knowledge will make people better all-round judges of what is best in life, and at the same time will make them better neighbours to one another. Intellect, reason and light are the conditions for liberty and progress; their opposites result in the narrowness of self-interest and Philistinism, the view that consists in the deification of selfish material gain and the rejection of social ideals (does this sound familiar). And the means to this enlightened alternative, said Arnold, is the educative power of literature.

One is unlikely to agree with everything in Arnold, and one might sympathise with those who dislike his polemical style. But Arnold raised many of the questions which concern us now, and offers interesting answers to them: so we should reread him for the example, the ideas, and the guidance he offers as we attempt to grapple with the cultural dilemmas of our own time.

# Misunderstood musician

**E**ven more than journalists, the private letters of artists are to be mistrusted as a record of what really happened. Selections of letters are doubly suspect, for the simple reason that they are selected. That said, Hugh Macdonald's new selection of Berlioz's letters - the first English translation for some 30 years - establishes both a structure and a sense of momentum, and is very far from being a mere rag-bag of random pickings.

Anyone drooling for insights into the music will be disappointed. There are no nuts-and-bolts here - though there is a unique first-hand picture of the musical climate of 19th-century Paris, and the composer's more workaday musical

vicissitudes are logged in detail. One empathises with the scorn he heaps on less exacting contemporaries (the operas of Auber are brusquely dismissed as "music for milliners"). Even the most well-meaning of composers is fair game for a hectoring: after a performance of *The Creation*, he bitched about "the musical padding of Papa Haydn" - "all his effects of bombast get on my nerves and make me want to hit someone". In April 1829, he is desperately petitioning Goethe's support for his first attempt at a Faust composition (the letter remained unacknowledged, since the poet's

friend Zelter judged the accompanying score "an abomination"). "Can I not", laments Berlioz, "do what every other composer does

**SELECTED LETTERS OF BERLIOZ**  
edited by Hugh Macdonald  
Faber £25, 479 pages

and use a poem as a source of musical situations... without putting German men of letters into a rage?" Seventeen years later, having finally completed *La Damnation de Faust*, Berlioz writes to the Citizen King to beg him to attend the preli-

ere. It goes without saying that the King - together with *le tout Paris* - is otherwise engaged. His attempts to woo the patronage of Napoleon III are equally unfruitful: "the Emperor is inaccessible", he spits, "and loathes music like ten Turks".

It is a pattern of official non-recognition set early enough in the composer's career for him to have become more or less resigned to it, and the disappointment of his later letters is a marked one. By 1856, he is sunk in a seemingly permanent gloom at his own neglect and the sadness of so many friends lost. "Paris... is a cemetery. I live entirely in the past", he writes to Princess Carolyne Sayn-Wittgenstein. "There I saw Balzac for the last time; here I went for a walk with Paganini; there I escorted the Duchesse d'Abrantes, a good woman, even if absurd... They're all dead! All of them dead!"

Berlioz's own self-protecting image of himself as tortured genius, as betrayed lover, as romantic actor on the stage of his own mind is at once flamboyant and self-

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INTERNATIONAL ARTS GUIDE

What's on in the principal cities

ADELAIDE

**EXHIBITION**  
Art Gallery of South Australia  
Tel: 61-8-2077000  
● Dark Visions: the Etchings of Goya, on the occasion of the 250th anniversary of Francisco Goya's birth (1746-1828), this exhibition features around 100 etchings by this Spanish artist; from Aug 30 to Nov 10

AMSTERDAM

**CONCERT**  
Concertgebouw Tel: 31-20-5730573  
● Rotterdamse Philharmonisch Orkest: with conductor Daniel Harding and violinist Sarah Chang perform works by Sibelius, Messiaen and Bartok; 8.15pm; Aug 31

EXHIBITION

Van Gogh Museum Tel: 31-20-5705200  
● The Colour of Sculpture 1840-1910: this exhibition demonstrates the methods and materials used by 19th century artists to apply colour as an expressive medium to their sculptures. Artists represented include Camille Claudel, Charles Cordier, Paul Gauguin, Arnold Böcklin, Jean-Léon Gérôme, John Gibson, Medardo Rosso, Fernand Khnopff, Max Klinger, Pablo Picasso, Auguste Renoir and Auguste Rodin; to Nov 17

AVIGNON

**EXHIBITION**  
Musée du Petit Palais Tel: 33-90 86 44 58  
● Deux Palais pour Rodin: part of a joint exhibition in the Musée du Petit Palais and the Palais des Papes devoted to the work of Auguste Rodin. The exhibits come from the collection of the Musée Rodin. The display in the Musée du Petit Palais features 60 sculptures; to Sep 1  
● Deux Palais pour Rodin: part of a joint exhibition in the Musée du Petit Palais and the Palais des Papes devoted to the work of Auguste Rodin. The exhibits come from the collection of the Musée Rodin. The display in the Palais des Papes features 30 architectural drawings; to Sep 1

BERLIN

**CONCERT**  
Konzerthaus Tel: 49-30-203090  
● Deutsches Symphonie-Orchester Berlin: with conductor Vladimir Ashkenazy and pianist Richard Goode perform Beethoven's Piano Concerto No.3 in C minor, Op.37 and Symphony No.6 in F major, Op.68; 8pm; Aug 31

EXHIBITION

Agyptisches Museum und Papyrussammlung - Charlottenburg Tel: 49-30-3209126  
● Theatrum Hieroglyphicum. Agyptischen Bildwerke des Barock: exhibition of a series of 18th century, pseudo-Egyptian statues and reliefs that were created for the Park von Wörzitz. The works on display give an insight into the ideas and perceptions of ancient Egyptian culture that prevailed at this period of time; to Sep 8  
● Bröhan-Museum Tel: 49-30-3214029  
● Wassereisen. Das Motiv des Wassers in der Kunst des Jugendstils: exhibition devoted to water as a source of inspiration for the artists of the Art Nouveau movement. At the turn of the century, artists made extensive use of waves, sea, fish, nymphs and sea animals as elements of decoration. The display includes paintings, porcelain, and works in metal and glass; to Sep 15  
● Kupferstichkabinett Tel: 49-30-26629598  
● Aus der Klassischen und Späten Neuerwerbungen im Kontext der Sammlung: this exhibition focuses on drawings and graphic works that were added to the museum's collection over the last 150 years. Artists featured are Picasso, Camille Graeser, Alf Lechner, Dan Flavin, Dennis Oppenheim and Christian Boltanski; to Oct 13

COLOGNE

**CONCERT**  
Kölner Philharmonie Tel: 49-221-2040320  
● Gürzenich-Orchester: with conductor James Conlon, mezzo-soprano Waltraud Meier and tenor Siegfried Jerusalem perform works by Wagner. Open air concert at the Roncalliplatz; 8pm; Aug 25  
● The Cleveland Orchestra: with conductor Christoph von Dohnányi and pianist Alfred Brendel perform works by Ives, Beethoven and Brahms; 8pm; Aug 28

COPENHAGEN

**CONCERT**  
Thwif Concert Hall Tel: 45-33 15 10 01  
● New York Philharmonic Orchestra: with conductor Kurt Masur and violinist Anne Sophie Mutter perform works by Brahms and Beethoven; 7.30pm; Aug 25

EXHIBITION

Nationalmuseum - The National Museum Tel: 45-33 13 44 11  
● Sultan, Shah and Great Mughal: exhibition focusing on the religion, history and culture of the world of Islam. The display includes exhibits from Danish museums and collections, together with photographs and illustrations; to Sep 30

DUBLIN

**CONCERT**  
National Concert Hall - Ceoláras Náisiúnta Tel: 353-1-6711888  
● RTE Concert Orchestra: with conductor James Cavanagh and trombonist Gavin Roche perform works by Suppe, Sibelius, Larsson and Anderson; 1.05pm; Aug 27

EXHIBITION

Irish Museum of Modern Art Tel: 353-1-6718866  
● Sean Scully: Twenty Years: this exhibition includes about 30 paintings and 32 watercolours covering the two decades during which Scully moved from England to the US, obtained American citizenship and established himself as a pivotal figure in postwar abstract painting; to Aug 25

EDINBURGH

**EXHIBITION**  
National Gallery of Scotland Tel: 44-131-5568921  
● The House of Death: by William Blake, part of the exhibition at the Tate in London



'The House of Death' by William Blake, part of the exhibition at the Tate in London

objects on display range from Etruscan jewellery from the 8th century BC to 13th century coins; to Sep 6

CANBERRA

**EXHIBITION**  
National Gallery of Australia Tel: 61-6-240-6411  
● William Morris and Friends: exhibition celebrating the work of the designer and writer William Morris, who died 100 years ago. Other artists in the show include Sir Edward Burne-Jones, Walter Crane, William De Morgan and Aubrey Beardsley. The exhibition features illustrated books and drawings for the Kelmscott Press, photographs, prints, wallpaper, textiles, ceramics, metalwork and glass; to Dec 1

CHICAGO

**EXHIBITION**  
Art Institute of Chicago Tel: 1-312-4436000  
● Roy DeCarava: A Retrospective: exhibition of more than 200 photographs by Roy DeCarava, ranging in date from 1949 to 1994. The exhibition captures the wide variety of subjects he addressed over the years, from intimate still-lives to portraits of jazz musicians to poignant reflections of the panorama of daily human life; to Sep 15  
● Museum of Contemporary Art Tel: 1-312-280-2660  
● Negotiating Rapture: a major loan exhibition featuring work by International contemporary artists, including Francis Bacon, Joseph Beuys, Lucio Fontana, Shirazeh Houliary, Anselm Kiefer, Agnes Martin, Bruce Nauman, Barnett Newman, Ad Reinhardt and Bill Viola; to Oct 20

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● Look, Love and Follow: for almost a century following the exile of the Stewarts in 1688, engraved portraits of the royal family and their closest supporters were an important weapon in the propaganda battle to re-establish the royal family on the throne of Great Britain. 'Look, love and follow' was the exhortation used by the Jacobites to entice their supporters. This exhibition, marking the 250th anniversary of the battle of Culloden, features a selection of these portrait engravings; to Sep 18

ESSEN

**EXHIBITION**  
Design Zentrum Nordrhein Westfalen Tel: 49-201-8202118  
● Design-Innovationen '96: exhibition showing a selection of works competing for the international industrial design award; to Aug 25

GENEVA

**EXHIBITION**  
Petit Palais Musée d'Art Moderne Tel: 41-22-3461433  
● Les Neo-Impressionnistes: exhibition of some 70 works from the Neo-Impressionist collection of the Petit Palais. The display includes works by artists such as Albert Dubois-Pillet, Maximilien Luce, Charles Angrand, Van Rysselberghe, Van de Velde, A.J. Heymans, Henri Martin, Pierre Mengarini, Signac, Gausson, Laugé and H. Petitjean; to Sep 30

GSTAAD

**CONCERT**  
Menühinifestival Alpengala Gstaad Tel: 41-30-47173  
● Royal Philharmonic Orchestra: with conductor Yehudi Menuhin and cellist Leonid Korokhov perform works by Enescu, Tchaikovsky and Elgar. Concert celebrating the 40th anniversary of the Menuhin Festival, the 80th birthday of Lord Menuhin, and the 10th anniversary of the Alpengala; 7.30pm; Aug 24

HAMBURG

**EXHIBITION**  
Hamburger Kunsthalle Tel: 49-40-24862812  
● Ernst Ludwig Kirchner. Die frühe Davoser Zeit: exhibition of works by Ernst Ludwig Kirchner from the museum's collection, created in his first years in Davos where the Expressionist artist settled in 1917; to Aug 25  
● Museum für Kunst und Gewerbe Tel: 49-40-24862732  
● Hommage an Holzsai: exhibition of graphic work by Ken Tsuji and Artur Dieckhoff; to Sep 15

OPERA

Hamburgische Staatsoper Tel: 49-40-331721  
● La Bohème: by Puccini. Conducted by Michael Halasz and performed by the Staatsoper Hamburg. Soloists include Gauci, Rudakova, Ariza and Schegidulin; 7.30pm; Aug 28, 31

LEWES

**OPERA**  
Glyndebourne Opera Festival Tel: 44-1273-812321  
● Ermiona: by Rossini. Conducted by Andrew Davis and performed by The London Philharmonic. Soloists include Anna Caterina Antonacci and Paul Austin Kelly. Part of the Glyndebourne Opera Festival; 5.55pm; Aug 25

LIVERPOOL

**EXHIBITION**  
Tate Gallery Liverpool Tel: 44-151-7033223  
● Joan Miró: Printmaker 1933-83: exhibition of etchings, dry-point engravings, lithographs and aquatints by Joan Miró, giving an overview of the artist's graphic work. The prints in this exhibition are from the Joan Miró Foundation in Barcelona; to Aug 26

LONDON

**CONCERT**  
Royal Albert Hall Tel: 44-171-5898212  
● Berlin Philharmonic Orchestra: with conductor Claudio Abbado and pianist Radu Lupu perform Brahms' Piano Concerto No.1 in D minor and Symphony No.1 in C minor. Part of the BBC Henry Wood Promenade Concerts (Proms); 7.30pm; Aug 28

● Berlin Philharmonic Orchestra: with conductor Claudio Abbado and pianist Radu Lupu perform Brahms' Piano Concerto No.1 in D minor and Symphony No.1 in C minor. Part of the BBC Henry Wood Promenade Concerts (Proms); 7.30pm; Aug 28

DANCE

Royal Festival Hall Tel: 44-171-9604242  
● Billboards: a choreography by Laura Dean, Peter Pucci, Charles Moulton and Margo Sappington to music by Prince, performed by the Jeffrey Ballet of Chicago; 8pm; Aug 28 (7.30pm), 29, 30, 31 (also 3pm)

EXHIBITION

Tate Gallery Tel: 44-171-8878000  
● William Blake: Young's Night Thoughts: in 1795, William Blake received a commission from the publisher Richard Evans which was to become the artist's biggest project. This exhibition shows a selection of illustrations from the project in the collection of the British Museum, together with some of his other responses to other poetic meditations. The display is the fifth in an annual series which focuses on aspects of Blake's work; to Oct 6  
● Victoria & Albert Museum Tel: 44-171-9388500  
● Leighton Centenary Celebrations: exhibition on the occasion of the centennial of the death of Frederic, Lord Leighton (1830-1896). The centrepiece will be the newly restored frescoes The Arts of Industry Applied to War and The Arts of Industry Applied to Peace. These works are among the most important public commissions of the Victorian era; to Sep 8  
● Whitechapel Art Gallery Tel: 44-171-5227898  
● Whitechapel Open and East London Open Studios: new work by East London artists. The exhibition extends to film, video and installation as well as painting and sculpture. The project has become an important platform for contemporary British art; to Sep 15

LOS ANGELES

**EXHIBITION**  
MOCA at California Plaza Tel: 1-213-626-6222  
● Kienholz: A Retrospective: this exhibition presents the full range of Kienholz's own work and his 20 years of collaboration with his wife and partner, Nancy Reddin Kienholz. More than 100 pieces, ranging from intimate objects to house-scale environments, are displayed; to Nov 3  
● The J. Paul Getty Museum Tel: 1-310-459-7611  
● 19th Century French Drawings: exhibition of 25 drawings by 19th century French masters from the museum's collection, with examples from Neo-Classicism through Post-Impressionism, including works by Cézanne, Delacroix, Gercault, Ingres, Millet, Manet and Degas; to Aug 25

LUCERNE

**CONCERT**  
Internationale Musikfestwochen Luzern Tel: 41-41-2103562  
● Collegium Musicum Zürich: with conductor Paul Sacher and cellist Mstislav Rostropovich perform works by Haydn and Mozart. Part of the Internationale Musikfestwochen Luzern; 8.45pm; Aug 25

EXHIBITION

Kunsthaus Luzern Tel: 41-41-2103562  
● Plakate und Fotografien Melk Imboden: exhibition featuring posters and photographs by Melk Imboden. Part of the Internationale Musikfestwochen Luzern. Imboden designed the poster for the 1996 edition of this festival; to Sep 11

MADRID

**EXHIBITION**  
Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675082  
● ?BUNUELI La mirada del siglo: this exhibition, centered around Luis Buñuel's film 'La edad de oro', focuses on work by people who inspired him or were themselves inspired by his work. The display features some 500 works, including paintings,

drawings, sculpture, books and photographs. Artists represented include Dalí, Miró, Magritte, Giacometti, Picabia, Ernst, Tamello, Man Ray, Alvarez Bravo and Garcia Lorca. Also on display are 50 photographs of Buñuel working on a film shoot, made by Gabriel Figueroa; to Oct 14

MILAN

**EXHIBITION**  
Palazzo della Regione  
● Riefenstahl: at 70 Lani Riefenstahl, known for her films on Adolf Hitler and the 1936 Olympic Games in Berlin, started a career as a photographer. This exhibition features a selection of Riefenstahl's photographs. Main themes in her work are Africa and the underwater world; to Oct 8

NEW YORK

**EXHIBITION**  
MoMA - Museum of Modern Art, New York Tel: 1-212-708-9400  
● From Bauhaus to Pop: Masterworks Given By Philip Johnson: exhibition on the occasion of the 90th birthday of architect Philip Johnson, honouring seven decades of contributions by one of the MoMA's most dedicated supporters. The show features paintings, sculptures and drawings, as well as posters, design objects, and architectural models and drawings. Johnson has also organised a special installation of works in The Abby Aldrich Rockefeller Sculpture Garden, the space he designed in 1953; to Sep 2  
● The Metropolitan Museum of Art Tel: 1-212-879-5500  
● Winslow Homer: retrospective exhibition featuring about 180 paintings, watercolours and drawings by the 19th century American painter. The display, giving an overview of Homer's work in more than 20 years, is organised chronologically in thematic groupings that include depictions of the Civil War and rural America in the 1870s; to Sep 22

OSLO

**THEATRE**  
Nationaltheatret Oslo Tel: 47-22-411640  
● The Royal Offspring: by Ibsen. Directed by Tony Hancock and performed by the National Theatre. Part of the Ibsen Festival; 7.30pm; Aug 30

PARIS

**EXHIBITION**  
Fondation Cartier pour l'Art Contemporain Tel: 33-1 42 18 56 50  
● Comme un Oiseau: this exhibition explores the universe of birds as seen through human eyes, from some of man's earliest art to the most recent experiments in contemporary art. Artists represented include Felix Gonzalez-Torres, Baselitz, Gabriel Orozco, Brancusi, Calder, Tinguely, Magritte, Miró and Zadkine; to Oct 13  
● Musée du Louvre Tel: 33-1 40 20 50 50  
● François 1er par Clouet: exhibition focusing on two portraits of François I in the collection of the Louvre. The display tries to answer the question who painted these portraits: Jean Clouet, his son François or his brother Paul. Included in the exhibition are sketches by Jean Clouet and works by contemporaries of the Clouet family; to Aug 28

SINGAPORE

**CONCERT**  
Victoria Memorial Hall Tel: 65-3361230  
● Singapore Symphony Orchestra: with conductor Gaetano Delogu and pianist Nikolai Demidenko perform works by Smetana, Beethoven and Dvořák; 8.15pm; Aug 30, 31

STUTTGART

**EXHIBITION**  
Staatgalerie Stuttgart Tel: 49-711-214050  
● Barnett Newman. Die Druckgrafik: exhibition featuring the complete graphic oeuvre of the American artist Barnett Newman (1905-1970), founder of the New York Abstract Expressionism. Like his paintings Newman's graphic work, created in the 1960s, is characterised by monochrome colour fields and vertical stripes; to Sep 8

UTRECHT

**CONCERT**  
Jacobinerkerk Tel: 31-30-2362236  
● The Tallis Scholars: with conductor Peter Phillips perform 16th and 17th century English psalms. Part of the Festival van Oude Muziek; 10.45pm; Aug 30

VIENNA

**EXHIBITION**  
Palais Liechtenstein Tel: 43-1-3176900  
● Erò: From Mao to Madonna: retrospective of this legendary figure of European Pop Art, Object Art and Action Painting. The exhibition features about 90 large-format paintings spanning a 30 years period; to Sep 6

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Tel: 31 20 664 6441. E-mail: artbase@pl.net

CHESS

Chris Ward, aged 28 from Kent, won the British Championship at Nottingham last week, but must have had mixed feelings. He scored an impressive 9/11, but must wait to learn whether next month's Fide congress awards him the grandmaster title.

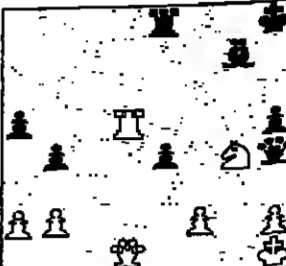
Young players did well: Jonathan Parker, a student, was runner-up while Luke McShane, 19, just missed a record-breaking master score.

Top seeded Matthew Sadler finished only fourth, but his best win showed how grandmaster subtlety can undermine an apparently solid pawn barrier (M Sadler v M Ferguson).

1 d4 d5 2 e4 c6 3 Nf3 Nf6 4 Nc3 dxc4 5 e4 Bf5 6 Ne5 e6f7 Naf6 or Nbd7 are solid. 7 f3 Bb4 8 e4 Bxc4 9 Exd4 Nxd4 10 Bd2 Qxd4 11 Nc4 Qxd4+ 12 Qe2 Bxd2+ 13 Kxd2 Qd5+ 14 Ke2! A recent improvement over 14 Kc3.

Na6 15 Nxc4 0-0-0 16 Qc3 Kb8 17 Be2 Ka8 18 Qxg2 18 Rhg1 Qxh2 19 Rxxg7 with advantage. 18 g4 Qd7 f8 is last chance for active play.

19 Rxd1 Nbd4+ 20 Kf1 Nd5 21 Qa3! GM strategy to control dark squares and support a pawn advance to a6.



V Anand v E Lohron, Dortmund 1996. When the game appeared in the tournament bulletin, readers complained that White's final move was an obvious misprint. What did Anand play?

Solution, Page 11

Leonard Barden

BRIDGE

As a defender, you should hurry to take tricks only when dummy contains a long suit, on which the declarer can pitch losers. Otherwise, you should defend as safely as possible. This is a basic axiom, but it is a fine foundation.

W E  
♠ A 4 ♠ 3 2  
♥ Q 10 7 5 ♥ K 6 3  
♦ A Q 7 6 4 3 ♦ 9 5  
♣ 3 ♣ K Q 8 7 6 5 4

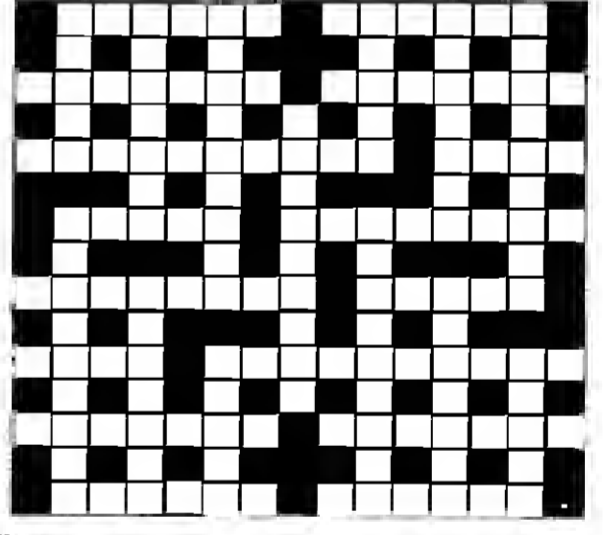
South opened 1S, West overcalled 2D, and North bid 3S. South had no reason to bid 4S, but he bid it anyway.

West led 3♣, which ran to East's Q♣, and South's Ace. Declarer continued with 10♣, West discarding 7♣, and East won with K♣. What should

Paul Mendelson

CROSSWORD

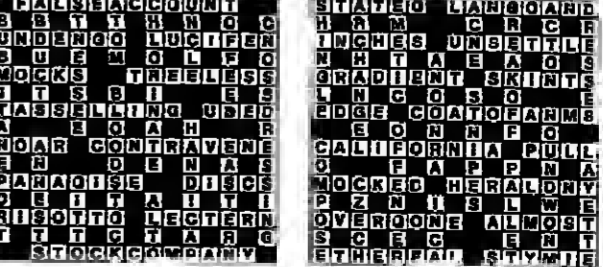
No. 9,155 Set by CINEPHILE  
A prize of a classic Pelikan Souvenir 500 fountain pen for the first correct solution opened and five runner-up prizes of 250 Pelikan vouchers. Solutions by Wednesday September 4, marked Crossword 9,155 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday September 7.



Method: Solve the clues and enter them in the diagram jigsaw-wise, wherever they will go.

- ALPHABETICAL JIGSAW**
- A The enemy puts an identifying label on a single saint (10)  
B Pecks get drinks, we hear (6)  
C Little girl has caught cold, which is infectious (6)  
D Attractive girl embracing a member: if Tory fairly left-wing (7)  
E Concentrating on large number in terrible need (9)  
F Blood loose in marsh (6)  
G Fuel device, unfinished, relating to the inside (7)  
H Scold Henry and Daniel? (8)  
I Involve devil with witch's companion in falsehood (6)  
J Orleanist who was staked (4,2,3)  
K Among friends half e score is beat on play (8)  
L Short year, short time, made spring (5)  
M Girl outside American city gets fever (7)
- N Bridge on specs: wrongly, one on spec, error corrected (4,5)  
O Love words: I shouldn't have said that (4)  
P Resentment at utterance of summit? (5)  
Q Settler who gives up? (7)  
R Engineer on new craft to divert a wave? (7)  
S Wanting to question what's questionable (10)  
T The common man's a forger (4)  
U One following the devil would be getting off scot free (5)  
V Rogue out of house and home? (7)  
W What the weaver's dog said? (4)  
X Photos turn up, concealed outside - nothing like a sword? (7)  
Y End of May's too soon for annual (6)  
Z Animal study: last section: study of birds' eggs (7)

Solution 9,154



WINNERS 9,154: A. Cowan, Leatherhead, Surrey; J.D. Burns, Harrogate, N. Yorks; Miss E. McNeill, East Kilbride, Glasgow; Jean Macpherson, Edinburgh; D. Gibson, C. Costa, Folkestone, Kent; J.F. Richardson, Steeple Claydon, Bucks.

سكربتات الأصل





James Morgan

# Why Britain needs American MPs

US citizens show remarkable equanimity, behaving like Britons are supposed to but never do

There ought to be an American party to contest the next election in Britain. In the row about Europe, the US enters the debate as an example to us all, far superior to the sclerotic Euro-model. Michael Thompson-Noel toys with such ideas at the foot of this page.

The thought was reinforced by a letter the other day in this paper from John Townsend MP. He argued that the US, among others, showed how public spending was the basis for economic dynamism. If Britain followed the example, it too could enjoy economic success.

Townsend omitted to note that government spending in the US

is low because health care is largely privately financed. Many may believe that if Britain was to privatise its health service the country would immediately become a north-west European tiger, if it is not already, but others will be sceptical.

How much can one learn from the Americans? British politicians answer "a lot" and so make frequent pilgrimages across the Atlantic to study successes in diverse areas of social policy. They come back talking about "boot camps" and "three strikes and you're out" which few understand.

This reflects the fact that any attempt to Americanise Britain faces severe cultural problems,

as I had reason to discover on an exciting American Airlines flight to Dallas-Forth Worth nine days ago. At least it should have been nine, but was actually eight days ago. The extra 24 hours provided a laboratory to show how different Americans are under stress.

For one thing they show remarkable equanimity, behaving exactly like Britons are supposed to but never do. I asked one, when we were compelled to queue for the umpteenth time outside the passenger lounge, why no one complained. "I would not wish to be seen as an insensitive American throwing my weight about in someone else's country," the smartly dressed man replied.

A study of the passengers yielded interesting results. Britons read novels with titles such as *Frédéric Forêt* written by lubricious young women. The Americans read the Bible. And not just read it, but underline and record key passages. A girl student cross-referenced her copy of the good book with another entitled "How to Become an Excellent Woman".

Once airborne, a pilot gave us the details of all that had gone wrong. There had been no back-up system after a repair had been effected to some hydraulic part the previous day. "The plane was airworthy but we could not fly it," he said. There was a moment's hesitation

before he unexpectedly concluded: "I apologise to you all for the apparent cynicism."

Picking up a complimentary copy of the *Wall Street Journal* I read its 14th article of the week on how tax cuts would unleash the full vigour of the nation's economy. No matter where income tax currently stood, there were huge gains in terms of growth and revenue to be gained from cutting it still further. This was because the "most productive and successful" citizens would devote themselves more energetically to maximising their incomes to the consequent benefit of society.

"Productive and successful" in American means "rich". (This is

not always so in European languages.) One has to assume the *Journal* knows what it is talking about: further tax cuts will inspire weary chief executives to fire more of their labour force because their hard-earned share of the savings would now be really worth having. Californian lawyers will free themselves from their self-imposed bonds and find new fields of tort and litigation. Bill Gates will stir himself to concentrate more effectively on promoting the interests of Microsoft.

The benefits of tax cuts are plainly, therefore, enormous. But, one fears, only in America.

James Morgan is *BBC World Service economics correspondent*.

## Peter Aspden Money, art and adverts



It should surprise no one that Maurice Saatchi, the advertising tycoon with the golden touch, should be awarded a peerage in the government's latest honours list. And it is not, let us be clear, just a matter of political payback.

We happily dole out honours to artists, writers, musicians of questionable talent. But when it comes to the fickle, mercenary skills of the advertising guru, we come over all our own patronising. Public service? The man who painted demon eyes all over the wholesome, acceptable face of the Labour party?

We must not allow nostalgia and indignation to blind us to the facts: advertising is the supreme art form of our age, and Saatchi one of its most skilled practitioners. The art of advertisement is too often derided as negligible and unimportant, a throwback to the material excesses of the 1980s which, it is hoped, will gradually fade away.

But it is not as simple as that. Advertisers tell us more about ourselves than we would like to know. They glorify the art of selling; we revel in the art of shopping. It is a perfect symbiosis of desires. But there is more to them than that. On the screen, these condensed masterpieces, some no more than 10 seconds

## Private View Celebrity chef with a message

Christian Tyler asks Raymond Blanc what is at the heart of his craft

The men in white coats worked quickly, exchanging hardly a word. They moved round the kitchen with the precision of a team of top-flight surgeons performing an emergency operation on a head of state. A bronze bust of their chef patron gazed down on the silent hubbub.

Beyond the swing doors, the scene was instantly tranquil. Middle-aged diners affected nonchalance as exquisite concoctions from the kitchen tumbled on to their tables. Couples giggled at the outrageous luxury of the dishes swooning on their plates.

The only fly in the soup was the businessman in the far corner who was loudly boring another businessman with "product profiles" and "bottom lines".

Outside, down by the Japanese water garden, the boyish chef-patron of Le Manoir aux Quat Saisons in Oxfordshire sat on a bench in the late evening sun and discoursed on the joys of sensuality.

Raymond Blanc, the one-time writer from Besançon, belongs to a new breed in Britain, the celebrity chef. From his books, articles, television shows, magazine photos, friends and flatterers, the self-taught cook and self-made man is known to thousands of people who will never taste a mouthful of his food.

He is not averse to a little exaggeration.

When I ventured to suggest that chefs were in danger of taking themselves too seriously, he lit up. This was a game he knew how to play.

"Are you implying that chefs were always rogues who should stay in their depressing stainless steel kitchens full of neon light and tiles, basically people with frontal lobotomies who couldn't utter two words or two thoughts together without falling apart?" The reply came out in one breath.

I opened my mouth, but Blanc was too quick.

"Food has never been part of your culture as such. You shove it aside. Whereas the French, even the Germans..."

"The Germans?"

"Yes, even the Germans have always revered the table. Not only in the sense of sensual enjoyment - Oh, my little belly! All I yearn is for you! - Nothing like that. No, no! It's a place

where you share, you have fun, you hate, you love, an exchange of souls, of communication."

He was getting up to speed and wouldn't be stopped.

"English is the most versatile and refined language for describing sunsets and so on. In the world of food it is the most primitive, barbarian language. Everything is stuffed, thrown in the oven. It's terrible!"

Why did you come to England if it was such a barbaric place?

"Just to learn the language. I heard a lot about sex, good rock-and-roll, and so on. I didn't know so much about the food. I discovered pretty quickly when I took the ferry."

But he stayed, and his English, though delivered in an almost comically French accent, has an artless fluency which flies over all syntactical hurdles.

I tried to bring him to earth. Is a chef more than just a cook?

In reply, Blanc sketched Britain's lamentable gastronomic past: the "failures" who ended up as chefs, without stamina or creativity, the waiters who were treated worse than animals. Jumping to his feet he imitated the surly type who used to stand in a corner ignoring the customers and the subservient type who cringed and fawned at the table.

He described "horrible, very masculine restaurants serving this 'orrible grey beige food' while the diners talked about the weather and other non-tahoo matters. (Some of the English *haute bourgeoisie*, he conceded, ate quite well at home.)

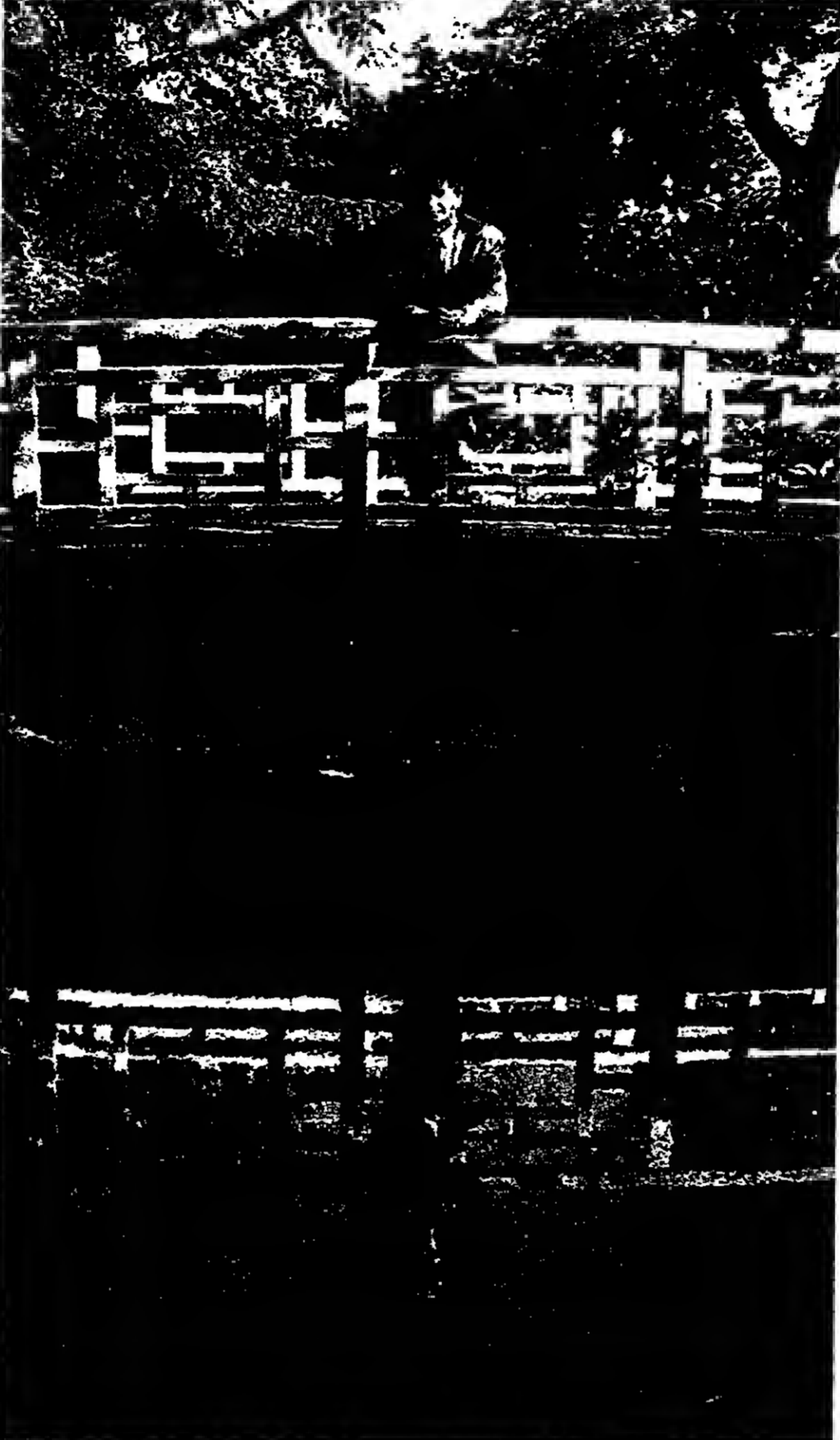
The revolution occurred with the arrival of *nouvelle cuisine*, replacing the Escoffier tradition which had become "full of cream, butter, fat and flour, too rich. People were dying, falling off their chairs."

At first, he said, the oev style fell into the wrong hands - "people cooking like Salvador Dali pointed, when someone who mixed raspberries with turbot was called a genius" - but it remained the basis of today's health-conscious menus.

Chefs were justified in their celebrity if they had "a message", Blanc said. If not, they became victims of a silly charade egged on by the media - "because you love, don't you, controversy?"

I hope we're not encouraging violence in the kitchen, I said.

"That's a separate problem. It's a very tough environment: very little daylight, lots of pressure,



Raymond Blanc: 'In the world of food English is the most primitive, barbarian language'

lots of heat, lots of proximity and speed and perfection. Put all the ingredients together and believe me, anyone could turn violent, or at least have some violent thoughts."

"We have not trained chefs to be managers, and that's a problem. They are essentially craftsmen." He, and others like the Roux brothers and Anton Mosmanno, had shown that the craft could become an art.

So chefs rank alongside musicians and other such artists?

"Look, there are some great musicians. There are some great chefs and some piss-artist chefs. We all have our own identity, our own expression. And what do you want to categorise us? What defines an artist? What is art?"

In cooking for you an intellectual activity - even a philosophical one?

"The heart of my craft certainly is taking a few products from the earth and sea and binding them together. I couldn't leave it like that, if it was not for the act of giving - and that was taught very early by my mother who in every ladle of soup put lots of care."

"To make love to my baby tur-

bot or look at cuisine through my lamb cutlets has got no interest for me," he added mysteriously.

"Yes, there is many other connotations - working to the place, to the most beautiful, the most heavenly environment conducive in creating another reality for my guests to come... another dimension, conducive to joy..."

He seemed to be spinning out of control.

Is the pleasure you are pushing people towards all about sex?

"One critic said chefs made love to their food. All that we want is to get stuffed and then get f---." At this point Blanc's

financial director, a young woman, intervened: "Raymond, you were talking about the intellectual approach."

"Yes, yes, quite right. What do painters paint? Most is food and women and nature, but mostly food, in all its glory. So there is sensuality involved."

"Food in the past was a primary need. But in a society of plenty it became... like wearing shoes. In the past we used only to protect our feet. Now we are careful about the shape of the shoe, the quality of the leather, the feel." He turned up his shoe, roughly noticing the hole in it.

"It is a sensual act of selection."

Blanc plans to go into business with the French fashion house Givenchy to build a health spa in the grounds of Le Manoir. I suggested this was taking the pursuit of sensuality to its decadent limits - gorging in one parlour and starving in the other.

His answer was to sing the praises of the name of Givenchy. At last he explained that the spa would not be quite a health spa, "but a place where people can come to relax, have a beautiful massage, hydrotherapy, mind massage and so on."

They won't be trying to slim in there?

"No, certainly not. It's all about relaxing, enjoying another service."

No gymnasium?

"We will have a gymnasium, yes."

So there will be some suffering going on?

"But the machines are not any more focused on the muscle, the sweat and so on. We will put in all sorts of nice soft machines, more to do with just loosening the muscles, that's all. That spa will reinforce the sensuality and the romanticism..."

The Japanese garden by which we sat is a symptom of Blanc's interest in eastern philosophy and cuisine, which he works into his own creations. He tries to absorb these influences, not swallow them whole. There was a middle way, he said, between staying resolutely French and becoming "like a whore embracing everything to make a nonsense kind of international cuisine."

He talked about the weeks he spends in Chinese, Thai or Malaysian restaurants learning their Oriental secrets. When he had finished, I said:

Monsieur Blanc, you are very thin.

"Yes. Actually, I have been working very hard lately, that's all."

Do you enjoy your food?

"Very much so, but I have been... It's my battle weight at the moment. When you see Blanc like that, it's a good sign."

He was about to take his family on holiday, he explained. (He was also taking *Wuthering Heights* and *Poison* to read.)

Will you be eating out, or making do with sandwiches?

"No, no. I hate sandwiches. You'll find me in little bistros, and I will experience one or two great restaurants just out of my own interest. I hate burgers, anything which is convenient and nasty."

"I will sometimes have a piece of sausage with a piece of bread. You will never see me in a pizza parlour and certainly not in a burger joint."

"And I hate baked beans, too, by the way."

in addition, America has trillions worth of military hardware aimed at the heart of Europe, to stop you savages tearing each other apart. Yet you deal among yourselves. You spend so much time transporting shoddy homemade goods from one corner of Europe to another that you're practically cross-eyed."

I said: "We watch a lot of Hollywood trash, Mr Perot. Europe's languages are dying because of Hollywood trash. What is stopping us, it will be French and German next."

"What does Welsh sound like?" asked the man who would be president.

I said: "A lot like Apache."

"There you are," he said.

I said: "It strikes me, Mr Perot, that rather than contest the American election in November, you'd be well advised to visit Britain and contest our election. You'd do remarkably well. We're as pickled as you are."

long, manage to be well-crafted, slick, subtle, allusive. On billboards, they hit home with brutal brevity.

Advertisements delight in courting controversy. They have taken the place of religion and the finer arts in bringing mass attention to areas of life rarely discussed in the open. Demonic imagery is not the latest example. Aids, racism, sexism: all these concerns have been toyed with in campaigns which aim to sell us something different.

Those who criticise the motives of the advertisers miss the point: the distinction between commercial propaganda and pure art, between the sordid drive to make money and the noble aspiration to express oneself, has virtually broken down over the 20th century. On which side of the great divide does one place Andy Warhol, or Damien Hirst, or Steve Spikard?

Not should advertising be rubbish for its minimal content, its wispy, ephemeral nature. True, it takes but a couple of seconds to think of a killer slogan for a billboard. But "A rose is a rose is a rose" is not exactly the *Titid*. Any art for the late 20th century has to be concise, to the point, rudely brief. It is the nature of the age.

Critics of the culture of advertising point to one more telling deficiency: that its global, all-embracing nature is insensitive to local culture and turns into a monolithic celebration of capitalism. But how wrong they are.

I was intrigued to see the infamous Wonderbra campaign, featuring the indubitable assets of Eva Herzigova, run into a spot of trouble in Mexico when what was described in the papers as a "phalanx of angry matrons" demonstrated against the frankness of her image on the billboards.

The semi-nude Herzigova has subsequently been clothed, but what struck me was the line she was given to address passing motorists: "I like what you are thinking." This brazen message is a long way from Britain's more humorous "Hello Boys!" or "We've been apart too long", thereby speaking volumes of the two countries' cultural differences. If I were an angry matron, it would be Eva's lines rather than her curves that upset me.

But smartly British can be pretty puritanical, too. Its billboard companies have refused to show Benetton's latest poster, which shows a black horse mounting a white horse, on the grounds of poor taste; yet it will be seen all over France, Italy, Germany and Spain.

Thus another skill of the advertiser is brought into play: knowing exactly how much he or she can get away with at any time, in any place; and occasionally going that little bit further. It used to be the province of the Picasso, the Stockchansens, the Fellinis. But most art has long since caved in to money; how apt that an invitation to spend yet more money should turn into an art of its own.

I was at home the other evening, listening to a new CD, when that pest Ross Perot called. If it hadn't been for that CD, I doubt I would have been in a fitting mood to handle the little man, but I just about managed it.

The disc is called *Espresso: a compilation of musica para grupo de cafe* - music for the coffee set. It was probably put together expressly for people who live in Notting Hill, London's coolest, hippest neighbourhood. On Friday and Saturday nights, people who live in bleary lesser neighbourhoods drive to Notting Hill to see how cool we are, and return home broken, knowing, from what they have witnessed, that cool they will never be.

This new CD, *Espresso*, probably has too much Xavier Cugat and Serge Gainsbourg for some folks' taste, but I can handle it, mainly because there is quite a lot of James Last, The Glimicks

and Ray Rivera, whose *Bend Me, Shape Me* - one of my all-time faves - was playing when Perot called from his deep-level bunker in Wyoming.

"Hiya, Mr Perot," I said pleasantly. "This is really cool."

"I hope you're not smoking grass," said Perot. "You sound stupefied to me."

"No," I said. "Not. Though this is Notting Hill. There is more grass round here than in half of Wyoming. But no, as it happens, Not."

I have known Perot since 1982. I met him in Vail, Colorado. Perot told me he had heard that I

shared his fascination with technology and tele-democracy - all that online stuff. Then he gave me \$35,000 and put me on the Committee to Elect Ross Perot. It appears I am still on it.

"I'm calling," said Perot the other night, "to see what you're doing to help my election campaign. I pay you good money, boy."

As he spoke, there was a series of sharp clicks.

"Ignore them," said Perot. "That's NATO playing games. When I call anybody in America I have to contend with the CIA, FBI and Nasa. If I call Europe,

Nato listens in. So I'll just activate the deactivator, and - there we are, that's better."

I told him I wasn't doing very much at all to help his election chances in November.

"Then you'd better start firing," said Perot. "A gunslinger like you - a cross-draw specialist, expert with a shoulder holster - ought to be poppin' out some bull's-eyes."

"What do you suggest?"

"Well," said the little man, "I read in your paper the other day that Europe now has more rich folk than North America. Europe's got 1.7m individuals

who each have more than \$500,000 in financial assets, controlling an estimated combined \$4,700bn, compared to 1.6m in North America controlling \$4,500bn.

"That's a lot of dough. Yet you Europeans aren't buying your share of American goods. America makes the best of everything. Cars, computers, satellites, food-stuffs, fashionwear, the strings, tongue oil, tonal paint, tornado juico, whistle berries, twishorns, Texas wing chaps, twishers, strawberry roans, stock saddles, snafle bits, smoke poles, sombreroes, skunk eggs, stokers."

## Michael Thompson-Noel Perot joins the coffee set

Britain's election is about to gain a candidate with attitude

Perot joins the coffee set

Britain's election is about to gain a candidate with attitude

Britain's election is about to gain a candidate with attitude

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Britain's election is about to gain a candidate with attitude

صوتنا من الامل



WEEKEND INVESTOR

Current takeover bids and mergers

Company	Value of bid (£m)	Market value (£m)	Price per share (£)	Value of bid (£m)	Notes
Automated Security	40	38	31	47.81	ADT
Cardcast	95	86	88	15.25	Cardcast
Continental Fds	100*	103	60	15.68	CF Holdings
Do. Warrants	23*	23	18	0.46	CF Holdings
Enwick	82.5*	80	36	10.46	Lafarge
HCG Lloyd's	124	120	112	80.82	Benfield & Rea Int
Innovations	310*	328	212	43.71	Burton Grp.
Le Crouzet	202*	201	177	38.18	Cliden
Lucas Inds	(1)	230*	231	3.20bn	LucasVarity
Macclean-GlenVt	182.5*	158	157	173.0	Highland Dist.
Motor World	300	280	220	47.37	Floalst
Nelson Cobbold	3024	340	415	5.07	Ratbone
Palfan Grp.	170*	169	145	125.45	Whitbread
Rainford	330*	335	315	75.10	Ratbee Hldgs Inc
Reveron	120.5	120	102	23.85	Rosebys
Suter	228.5*	227	187	267.18	Accot Hldgs.
Unid. Friendly B	848	804	734	659.67	Refuge

Prices pence unless indicated. \*All cash offer. SFR capital not already held. † Unconditional. \*Based on lunchtime prices 23/8/96. † Shares and cash. (1) Scheme of arrangement. † Includes 48p Special Dividend.

Directors' share transactions in their own companies August 12-16 1996

Company	Sector	Shares	Value (£000)	No of directors
SALES Berkeley Group	BCon	1,906	11	1
Bradford Prop	Prop	87,000	168	1
Capita Group	SSer	80,000	284	3
Greggs	Grp	5,000	68	1
Hambros	MBnk	25,000	98	1
Neopend	Eng	690,757	318	1
Perpetual	OTHF	100,000	2300	1
Regal Hotel Group	L&H	51,850	30	1
Utility Cable	BCon	650,000	130	1
Anglian Water	Watr	14,257	83	1
Boots	RetG	40,000	248	1
NatWest	Bnk	127,795	880	1
Regal Hotel Grp	L&H	73,868	43	1
Thorn EMI	Mdia	141,725	2516	1
Unigate	FdPr	183,188	790	1
Varcon Int	Eng	320,000	65,000	1
WPP Group	Mdia	857,143	1,923	1
Yoshida Elec.	Elec	228,548	1,884	1
PURCHASES				
Burbour Index	Mdia	50,000	190	1
Break for the Bond	Brow	45,000	21	1
Brit Bloodstock Any	SSer	72,000	72	1
Bullough	Eng	24,000	18	1
Cardiff Prop.	Prop	6,000	11	1
Carlisle Group	Prop	112,700	29	1
Conrad Riblat Sinc	Prop	62,000	197	4
Dowson Int	Text	87,358	99	1
Emess	Elec	31,000	10	1
Emess SS	Elec	177,273	142	1
Eucledian	Newt	30,000	32	1
Indipnt Insurance	Insu	249,000	1	2
IOC Int'l pac	Elec	65,000	98	1
Mounicahel	OTHF	75,000	76	1
Quadrant Group	Eng	800,000	48	2
Rank Organisation	L&H	32,500	144	1
Zolefoams	Chem	23,082	45	3

Companies must notify the Stock Exchange within the working days of a share transaction by a director. The list contains all transactions listed and US\$1, including exercise of options (7) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange. Shares traded are ordinary, unless otherwise stated. SFR-Preference Shares, †-Unlimited Voting. Source: The Inside Track, Edinburgh, 0131-538 7070

In the Pink

Let's hear it for those attractive exporters

Kevin Goldstein-Jackson is all for foreign exposure and the lift it gives to any decline in Britain

The UK remains one of the world's leading exporters of goods and services - even more, per head of population, than Japan. As well as vast amounts of chemicals, oil, pharmaceuticals and such well known products as whisky, British companies have sold tortillas to Spain, bouncy castles to Egypt, tomato sauce machines to China, dartboards to Germany, bricks to Japan and Yorkshire pudding tins to Dubai.

Good exporters have a number of attractions to investors. Overseas markets can help to counteract any decline in business at home. A healthy export business can lead to longer production runs and, one hopes, a reduction in unit costs.

Performance in export markets can also be a useful pointer to the long-term future of certain companies. Some years ago, I was working in Oman when a government department expressed keen interest in a particular British product.

The ministry contacted the manufacturer. The remarkable response was: "We cannot supply you as we do not have a dealer or distributor in your country."

Oman, of course, has had a long-standing and friendly relationship with Britain, and a sale to a willing buyer would have been easy. Instead, a salesman for a competing Japanese product stepped in.

His company ended up selling goods worth millions of pounds to the Omanis. The British company eventually got into difficulties and it no longer exists.

A British company might have established a highly profitable niche activity in Europe, 3 per cent North America, 5 per cent Australia and New Zealand, and 1 per cent "rest of the world".

The turnover figures in Company Refs do not indicate exactly how that foreign turnover was achieved, though. Was it by direct exports from the UK? Or from overseas subsidiaries?

Bids/deals GWR steps up radio consolidation

The consolidation of Britain's radio industry took a further step this week with the £71.5m recommended offer by GWR Group for the 82.8 per cent of Classic FM it does not already own, writes Geoff Dyer.

As part of the deal, brought about by the more liberal provisions of the 1996 Broadcasting Act, EMU Group is making its debut in radio, taking up 10 per cent of GWR. Peter Michael, a Classic FM founder, will hold 7.3 per cent.

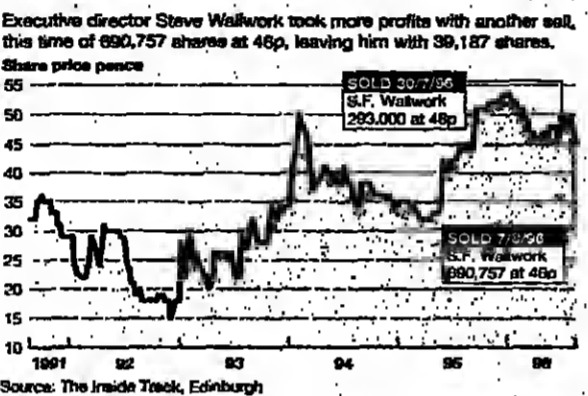
The battle for control of Kleinwort European Privatisation investment trust (Kepit) stepped up a gear yesterday when TR European Growth (Treg) improved its £300m hostile bid.

Treg, an investment trust managed by Henderson, first moved in July to liquidate Kepit and return the asset value to shareholders. The improved offer yesterday came mainly through its proposal to cut its fee on the deal by 0.25 per cent.

The Kepit board recommended shareholders to reject the revised offer.

Ten other financial houses have put forward rival plans during the past month to take over or restructure the management of Kepit.

Neopend



Results due next week

Company	Sector	Announcement date	Last year interim	Dividend (p)	This year interim
FINAL DIVIDENDS					
Booker Hunter	EBSE	Wednesday	2.75	7.46	2.9
Capitol Inv. Trst	InvTr	Wednesday	-	1.8	-
Islehill	EBSE	Wednesday	0.26	0.83	0.30
Isobon	InvTr	Thursday	1.83	3.42	2.81
Joe Hidge	InvTr	Wednesday	2.56	4.875	3.33
Photo-Ale Int.	SpSt	Friday	1.88	3.56	1.80
Smith (W)	InvTr	Wednesday	5.26	16.40	5.26
Staves	InvTr	Wednesday	-	-	1.70
Sunray Free Int	AM	Wednesday	-	-	-
INTERIM DIVIDENDS					
Amoco	EBSE	Thursday	3.25	6.25	-
Basil Gifford Stn.	InvTr	Friday	-	-	-
Brilbon	InvTr	Thursday	1.375	3.625	-
British Agents Trst	InvTr	Friday	1.27	1,138	1,138
Cam Energy	InvTr	Thursday	-	-	-
Calderdale, Ribby	InvTr	Thursday	-	-	-
Clydeport	InvTr	Friday	1.4	3.0	-
Corbourn	InvTr	Wednesday	-	-	-
CrestCare	InvTr	Wednesday	0.29	0.59	-
Dansack Hunter	InvTr	Wednesday	2.4	3.8	-
Gibbs & Dandy	InvTr	Wednesday	1.4	2.1	-
Guinness Flight Extra	InvTr	Thursday	1.75	-	-
Guinness Post	InvTr	Wednesday	-	-	-
Johnson Press	InvTr	Wednesday	0.78	1.5	-
Irish Permanent	InvTr	Thursday	0.806	0.07	-
Keller	InvTr	Thursday	-	-	-
Ladbroke Group	InvTr	Thursday	2.4	3.8	-
Lopez	InvTr	Thursday	-	-	-
Macfarlane Grp	InvTr	Friday	1.4	2.5	-
Parabon	InvTr	Thursday	-	-	-
Provident Financial	InvTr	Wednesday	11.0	17.0	-
Reckitt & Colman	InvTr	Thursday	7.26	12.8	-
Reflex	InvTr	Thursday	-	-	-
Rolls-Royce	InvTr	Thursday	2.0	3.0	-
Sanderson Bramall Motor	InvTr	Thursday	1.33	2.87	-
Senco Group	InvTr	Thursday	1.46	3.28	-
Slough Estates	InvTr	Thursday	3.1	5.4	-
Sunleigh	InvTr	Thursday	-	-	-
UK Safety	InvTr	Thursday	0.8	-	-
Whitecross	InvTr	Thursday	-	-	-

\*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. † Irish currency. \* 3rd quarterly.

Last week's interim results

Company	Sector	Year	Pre-tax profit (£000)	Basic dividend per share (p)
Alliance	InvTr	July	£24.34 (21,28)	17 (16)
Argon	EBSE	Jan	31,800 (21,200)	5.3 (4)
Barley (Bert)	BBC	Jan	118 (103)	0.3 (0.3)
Capital East	InvTr	July	115.8 (74.5)	-
Chandler	EBSE	Jan	8,500 (7,800)	2.36 (2.17)
Cheltenham	InvTr	Jan	808 (1,585)	1.5 (1)
Cassars Property	BBC	Jan	738 (1,170)	1.45 (1.45)
Deasongroup	InvTr	Jan	4,286 (6,430)	2 (2)
Dunedin Inv & Cit	InvTr	Jan	791.3 (725.2)	8.55 (8.1)
Evans (Highway)	InvTr	Jan	7,281 (6,299)	5.5 (5.5)
EW Fast	InvTr	Jan	825 (222)	0.9 (1)
Gloucester	InvTr	Jan	338 (104)	0.45 (0.30)
Goldsmiths	InvTr	Jan	54 (488.1)	2.4 (1.2)
Greenway	EBSE	Jan	4,980 (6,370)	2.7 (2.7)
Guernsey	InvTr	Jan	90.8 (80.8)	0.725 (0.855)
Harold	InvTr	Jan	388.88 (194.55)	-
Heron	InvTr	Jan	15,008 (19,200)	3.1 (2.5)
Hydra Int.	InvTr	Jan	125,288 (1,200.1)	-
Jupiter Int Green	InvTr	Jan	88.2 (88.2)	1.7 (1.7)
Kerry	InvTr	Jan	20,000 (16,000)	1.265 (1.4)
Merrill & Merc	AM	Jan	380.1 (377.1)	-
Morley	InvTr	Jan	83,296 (24,100)	2.1 (2.1)
Morley Docks	InvTr	Jan	13,800 (16,900)	4 (3.5)
Orange	InvTr	Jan	125,288 (88,800)	1.4 (1.4)
Page (Midland)	InvTr	Jan	14,000 (7,860)	2 (1.1)
Pemberton	InvTr	Jan	1,130 (-)	1 (-)
Perry	InvTr	Jan	4,090 (2,980)	3.25 (2.9)
Quilca	InvTr	Jan	2,780 (2,380)	2.75 (2.3)
Reticul	InvTr	Jan	134,500 (90,200)	1.48 (1.23)
Richardson West	InvTr	Jan	2,480 (2,300)	1.4 (1.4)
Shorro	BBC	Jan	412 (213)	2 (2)
TI High Income	InvTr	Jan	128.42 (122.3)	1.8 (1.6)
Tekare	InvTr	Jan	8,880 (9,970)	1 (0.9)
Taylor Nelson	InvTr	Jan	4,980 (3,980)	0.39 (0.35)
Torday & Carlow	InvTr	Jan	574 (523)	-
Ugland	InvTr	Jan	3,218 (813)	2.8 (1)
Waco	InvTr	Jan	4,210 (10,000)	1.85 (1.85)
Wor	InvTr	Jan	19,200 (20,200)	2.31 (2.2)
Yachtman	InvTr	Jan	5,220 (4,800)	4.5 (4)

\* Figures in parentheses are for the corresponding period. † Dividends are shown net pence per share, except where otherwise indicated. † Loss. † Net asset value per share. † Irish pence and price. † US dollars and cents. † 15-min figures against 12-min figures. † 30-week figures. † 24-week figures.

Last week's preliminary results

Company	Sector	Year	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
47722 Sps	InvTr	Jan	1,480 (1,188)	22.9 (19.2)	7.2 (6.8)
ADP	InvTr	Jan	357,488 (398,588)	136 (8.7)	5.5 (5.8)
Belcol	InvTr	Jan	2,678 (2,008)	-	-
Brown & Jackson	InvTr	Jan	14,888 (12,888)	-	-
Formprint	InvTr	Jan	71 (287)	-	-
Formprint	InvTr	Jan	228.5 (228)	2.8 (3.47)	6.4 (5.1)
Green American	InvTr	Jan	288.98 (185.17)	2.15 (2.17)	-
Louis St Lawrence	InvTr	Jan	-	-	0.38 (0.38)
Nova Int.	InvTr	Jan	415,880 (778,700)	29.16 (33.69)	1.88 (2.24)
Optimato	InvTr	Jan	888 (871)	-	-
Synetics Capital	InvTr	Jan	188.2 (187)	3.19 (3.74)	2.75 (2.75)
Watership	InvTr	Jan	188 (188)	2.4 (1)	-
Zapp	AM	Jan	215 (12)	-	-

\* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. † Irish currency. \* 3rd quarterly.

New issues

Thistle goes public

Thistle, the UK's second largest hotel company, this week unveiled its plans for a public listing which is likely to capitalise the company at more than £1bn, writes Christopher Price.

It aims to raise between £500m and £700m in an offer to both institutional and private investors. Of this, £250m will be new money which will be used to reduce Thistle's £535m of debt.

A book-building exercise - where investors apply for shares - is planned for September, with the flotation likely early in October.

The float gives investors a second chance to consider the hotels market following last week's announcement that Lombar's Princess Metropole hotels group, valued by analysts at £600-£700m, is planning to list.

The two companies are likely to join the market only a week or so apart.

Thistle reported half-year pre-tax profits of £63.7m (£12.7m profit) after an exceptional £87.5m write-down of hotels and development sites.

Operating profits rose 23 per cent to £51.5m and turnover increased by 12 per cent to £146m for the 28 weeks to July 14.

The company used to be called Mount Charlotte Investments. It was bought in 1990 by Brierley Investments, the New

Zealand group, for £844m 5000 after it acquired Thistle Hotels, a chain of 32, from Scottish & Newcastle.

Brierley will reduce its stake from 70 to 50 per cent as a result of the float.

Temasek Holdings and Government of Singapore Investment Corporation, two Singapore government agencies, will reduce their 30 per cent stakes pro rata.

Robert Peel, chief executive of Thistle, said increasing demand in the UK hotels market had provided a favourable environment.

Peel added that the company was moving from lower-rate tourist groups to higher spending business and leisure customers. And he noted that average occupancy had risen to 63.7 per cent and the average room rate to £54.

Rights issues

None

Offers for sale, placements & introductions

Thistle Group is to raise £250m via a placing & offer of 41.8m shares at 60p. Thistle is to raise £30m via its flotation.

CONTRACTS & TENDERS



Sale of Minority Participation in OTE's Mobile Telephone Subsidiary in Greece

Invitation for Expression of Interest

The Hellenic Telecommunications Organisation S.A. (OTE) announces the commencement of a competitive process to select an experienced mobile telephone operator with appropriate financial, technical and commercial resources to acquire a minority stake in OTE's mobile telephone (DCS-1800) subsidiary and to participate in its development and operation.

OTE has engaged CS First Boston and Alpha Finance AE to act as its exclusive financial advisors in connection with the selection process.

Experienced International mobile telephone operators interested in this proposed transaction are invited to submit expression of interest, individually or as



# Weekend Investor

Wall Street

## Suddenly, growth is all the rage

Forget mergers and downsizing. Richard Waters is seeing a shift back to basics

In the faddish world of US business, new management philosophies come and go with predictable regularity. And, as often as not, whenever you spot a new management fashion on the horizon, you will find an investment fad in hot pursuit.

That clearly has been the case recently as Wall Street's army of stock market-watchers has turned its attention to an idea that has been the craze of US business schools for some time: how to identify the companies that can achieve an above-average rate of growth. After painful bouts of re-engineering and downsizing, the search is on for the growth stocks of the future.

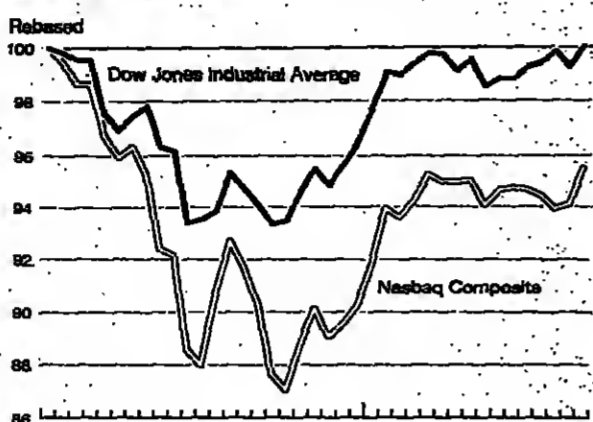
There is a certain irony in this. It was the prospect of faster growth in the US economy as a whole that sent the stock market reeling at the beginning of July. This prompted fears that the Federal Reserve would raise interest rates, which would have raised companies' interest bills and reduced consumers' purchasing power.

But this month's set of economic data has calmed those fears - and the Fed's policy-making forum, the Federal Open Market Committee, decided this week against taking any action on interest rates, at least for now. That has brought the stock market more or less back to where it was at the beginning of July (see chart).

There is a difference, though, between economic growth at large and growth among individual companies. The pace of technological change is certainly not slowing, and deregulation and global competition have opened up new markets to competition. Such a world, according to the new management orthodoxy, offers unparalleled opportunities for growth to the companies with the right combination of vision and fleetness of foot. The fad was summed up perfectly on Business Week's front cover earlier this month: "Strategic planning. It's back!"

The stock market version of this fashion involves finding the companies with the potential for the fastest sales growth. The drive to cut

### Still on the up



Source: FT Base

costs, whether through mergers or downsizing, was one of the dominant stock market themes of 1994 and 1995, and contributed to an unwavering attention to the bottom line. Now, the attention is shifting back towards the top line: revenue growth.

This week brought a pointed example of this quest for the companies of the future, and it came in one of the US's fastest-changing industries: telecommunications. On Monday, the second most powerful executive at one of the US's biggest companies, AT&T, decided to throw in his lot with a new company competing in the country's newly deregulated local telephone markets. Alex Mandl, who had been tipped to run AT&T one day, made no bones about his reason: this was a chance to make a personal fortune by building a business from scratch.

Mandl might have decided where to stake his future (the company is called Associated Communications; shares in Associated Group, which owns most of its stock, rose 25 per cent during the week, to \$32). How, though, do investors at large identify the growth companies of tomorrow?

There are no easy answers - as the recent share price movements of three very different companies show. One is Zenith Electronics, a television maker with a chequered past that is now majority-owned by LG, a Korean industrial giant. On Thursday, Zenith won a contract to build some of the equipment for a new digital

television service, setting off a 48 per cent jump in its share price, to \$167.

Technological change will continue to create new markets, and even once-troubled companies like Zenith can become instant beneficiaries. The second example is HBO, a company which builds management information systems for healthcare concerns. HBO's stock lost 15 per cent of its value during the week, falling to \$63, on an analyst's downgrade. But HBO's shares are still worth twice what they were little more than a year ago. In areas where cost-control has become a vital issue, there are fortunes to be made by companies which can apply technological and management disciplines learnt in other industries.

The third example is Citicorp, the US's second biggest bank. Citicorp, which teetered on the edge of disaster early in the 1990s, was the biggest winner from the stock market enthusiasm for bank shares last year, and has been again in 1996. It was trading yesterday at \$87, more than twice its level of 18 months ago.

Citicorp's attraction: while other banks are merging and cutting costs, it has a rare foothold in the emerging market countries which offer the prospect of most growth in the future.

### Dow Jones Ind Average

Monday	5689.44 + 9.99
Tuesday	5721.28 + 21.82
Wednesday	5688.82 - 31.44
Thursday	5733.47 + 43.65
Friday	

London

## A glad hand for Hans

UK owes this German a debt, says Philip Coggan

It is not often that the British take a German to their hearts. Tottenham Hotspur fans did it with striker Jurgen Klinsmann. Boris Becker charmed the Wimbledon crowds in his early days. But for stock market investors, the hearthrob of the moment is Hans Tietmeyer.

Hans, the president of the Bundesbank, has been a stickler for monetary and fiscal rectitude in the past. This week, however, he revealed he was an old softie. While some were predicting that the Bundesbank might not cut its repo rate at all, Hans sanctioned a cut in the key monetary indicator by 30 basis points: three-tenths of a percentage point. That was a far larger fall than anyone had expected.

The news allowed central banks across Europe including the French, the Dutch, the Belgians and the Finnish to follow suit. While Britain

did not change its rates, the FT-SE 100 index got carried away in the general excitement. The UK's leading indicator recorded an all-time closing high of 3,891.1 and swept past the 3,500 level in early trading yesterday.

The market had experienced a measure of relief already when, on Tuesday, the US Federal Reserve decided to leave interest rates unchanged. Only a month ago, it seemed that everyone was expecting US rates to rise: that was one of the main reasons why Footsie dropped to 3,632.3 on July 16.

Since then, it has rarely looked back. It is worth mentioning, however, that the other indices have not had such a good run. The Mid-250 is around 150 points below its all-time high, recorded in April, and the Small-Cap has yet to regain the dizzy heights of 2,244.36 which it chalked up on June 6. A "surprise rally" often

results in the blue chips outperforming the smaller company stocks. Institutional investors had been pessimistic about the UK stock market for much of this year, with the monthly Merrill Lynch/Gallup survey showing them regularly as sellers of domestic equities. Sure enough, the UK market performed far less well than other international markets.

Political risk was one factor which had been holding down the market and, with the general election getting ever closer, there seemed little reason to expect matters to change in the second half of the year. As a result, and with the help of strong dividend payments and share buy-backs, institutions had built up decent cash holdings.

Once the market started to move higher, naturally they chose to put their funds into the most liquid stocks - those in Footsie. Even so,



Heartthrobs: Tietmeyer, not Becker or Klinsmann. Montage: JAMES HARRIS

with volumes thin because of the holiday season, the influx of buyers forced prices ahead quickly. And a smattering of speculative activity - the old rumours that Zeneca might merge with someone else in the pharmaceuticals industry resurfaced this week - might have given an extra spur to the rally.

The picture has, accordingly, changed dramatically since the middle of July when it looked as if the UK and US stock markets were experiencing a correction. Now, it seems as if the bull market is back with a vengeance.

Technical analyst Brian Marber still maintains that Footsie needs to close 2 per cent above its previous high - which would require the index to hit 3,934.3 - for the market to avoid making a "double top" pattern, in which a peak is challenged but not broken decisively. Double tops are how UK bull markets normally end, says Marber.

Historical indicators are a bit more encouraging. David Schwartz, publisher of the Schwartz Stock Market Handbook, says that the performance of August has, since 1929, been quite a good test of the market mood.

Prices have dropped by 1.8 per cent or more in the month on 20 occasions; in 18 of those cases, a bear market was under way. When the UK market rose 4.3 per cent or more during August, as it also did in 20 cases, the UK was having a bull market in 19 of those instances. By Thursday

the FT-SE-A All-Share index had risen by 4.7 per cent on the month.

Interest rates and liquidity are only two of the factors that help stock markets to surge. What has given Footsie a further lift is that the prospects for earnings growth in the second half of the year may also be improving.

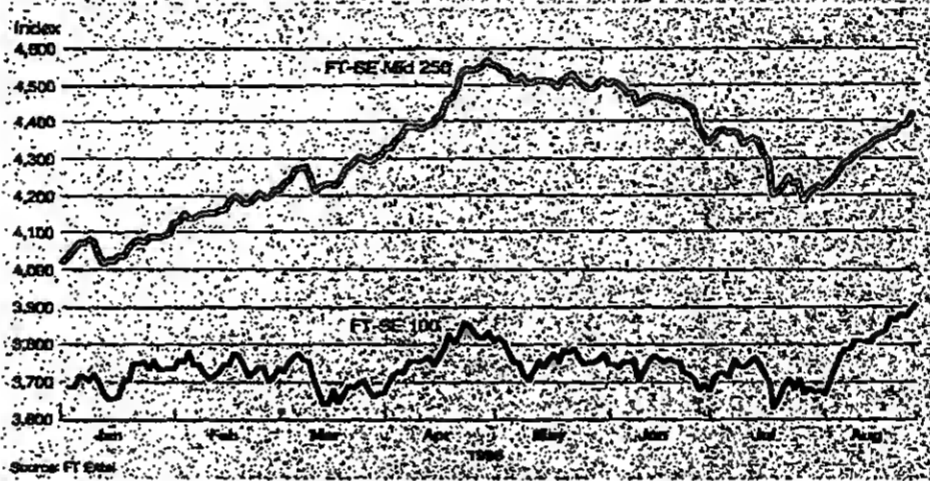
The manufacturing sector has been in the doldrums this year because it over-estimated the strength of demand and built up excessive stocks. But figures published yesterday by the Office of National Statistics showed that the stockpile could be unwinding; manufacturers' stocks fell by \$215m in the second quarter, wiping out a \$284m gain in the first three months of the year.

Admittedly, the Confederation of British Industry's August monthly trends survey showed that manufacturers remain negative about prospects for their order books. But the picture has improved since July, and there is absolutely no sign of inflationary pressure.

The results season in September could provide the next test for the UK market, with investors not so much interested in the figures themselves, as in the chairman's statements about trading prospects.

With the Non-Financial Index trading on an historic price-earnings ratio of over 17, the market is pricing in some decent earnings growth in 1997.

### Footsie hits a peak but the Mid muddies along



Source: FT Base

### Highlights of the week

Index	Change	Value	Notes
FT-SE 100	+34.8	3891.1	Interest rate cut
FT-SE Mid 250	+38.4	4988.8	Catching up with leaders
BAT Indx	+39	586	US regulatory worries
BSI Indx	+25	524	Internet link figures
EU Indx	+72.5	1488	US bid hopes
Net West Bank	-21.8	711	SEC warnings cautious
Orange	+12.4	254	Interim plans
Prudential	+14	537.5	Merger rumours
RMC	+45	1119	German repo rate cut
Richard	+28	402	German repo rate cut
T & N	+13.2	423	Profit-taking after figures
Thorn	-11	410	Profit-taking after figures



Barry Riley

## Looking forward to value

Small, focused companies are being seen as the way ahead

In his third and final article in our series on the stock market, Barry Riley looks at the future shape of the private investor's portfolio.

Judging by the top 10 buy and sell lists of brokers like Sharelink, private investor portfolios in the UK are made up of an odd combination of dull utilities such as British Telecom and racy technology stocks like Chiroscience.

Perhaps this is not so odd, however, because these divergent types of company are becoming important complementary elements of the UK stock market. Until around 15 years ago, it was dominated by the mainstream manufacturing and services sectors. But many companies in these sectors have been declining and investors are looking elsewhere.

The private investor share portfolio of the future certainly cannot reflect the British economy as a whole because important manufacturing sectors, such as cars and microchips, are scarcely represented among listed UK companies; the main British operations are foreign-owned.

Many services sectors are also under pressure: several major banks are buying back their shares, for instance. Big companies are

downsizing because greater efficiency seems a more practicable route to higher profits than growth. But it is not possible to shrink profitably for very long.

All the same, UK investors, both professional and amateur, are very keen to buy equities and the government has been a big source of supply of new companies through its privatisation of, primarily, utilities. These have come to represent some 11 per cent of the stock market's capitalisation.

They offer a fairly low economic risk but, as we have seen recently, they carry rather high political risks at times. And while the planned privatisation programme is nearly complete, there is a chance it could eventually be extended into new areas of the infrastructure - including, perhaps, toll roads and bridges and rented housing.

In the long run, such investments could be expected to yield growth in line with money GDP, but this might not be very exciting. Elsewhere, large sectors of the manufacturing and services industries are shrinking. And growth appears to have become both more risky and more highly priced.

Minor changes in the assumptions by investors

about growth can have very large effects on share prices. British Biotech is one example. Its price tumbled by 40 per cent from its May high, adjusted for the rights issue, although nothing much seemed to have happened to alter prospects except for a change in sentiment in the technology

### There are plenty of areas where investors can hope to make money

sector, especially in the US. The only way of coping with the risks in growth sectors is through diversification: you must buy a lot of different shares in order to be sure of picking up a few of the big winners and offset the losses on the losers.

The positive aspect to all this is that, in a more rapidly changing economy, there are plenty of areas where investors can hope to make money. Value is there, but it might need to be assessed on the basis of looking forward rather than back. The value of old assets and historical earnings levels could be just as

speculative as the value of new and untried companies. Between the 1960s and the early 1980s, the UK economy showed a reasonably strong underlying trend of growth, but with marked short-term cyclical fluctuations. It was felt that investment strategies based upon cyclical recovery in volatile sectors could pay off. If all else failed, there would probably be a takeover bid from a conglomerate.

More recently, it has appeared that underlying growth has slowed and the dominant cycle has become a 10-year one, although with intermediate fluctuations. Individual companies, therefore, show more consistent patterns of growth and decline and the scope for exploiting the short-term cycle has been reduced.

Moreover, acquisitive companies are being told by their institutional shareholders that they must seek growth and should not buy their way more deeply into declining sectors.

Big companies are right out of fashion and small, focused companies are seen as more capable of exploiting specific opportunities. That places a big premium on the quality of the management, of course. And we certainly

have to be careful as the UK's domestic economy moves into a probable pre-election boom.

This will boost small, cyclical companies for a while but should not be confused with a secular shift towards growth. If there is a post-election shake-out, the traditional measures of investment value will come into their own once again.

Markets, as J.P. Morgan said, will fluctuate. But in this summer series on value in the stock market, I have tried to separate out the longer-term trends from the more transient.

Investors have had to come to terms with the fact that, in important sectors of the economy, growth has largely run out. In high street retailing, for instance, it is dangerous to assume that fading blue chips, such as Sear's or W.H. Smith, will necessarily recover to their former prosperity with the aid of a new chief executive or two.

Investors are especially vulnerable, however, when they simply chase dreams. In the wider fringes of the US new issue market, cynical company promoters reckon that the less the punters understand about a company, the more it will be worth. Value is harder to spot, but it definitely still matters.

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With its combination of choice, low entry and exit costs and strong, long-term performance, our Private Investor Plan still offers better overall value than any other savings and investment plan available.

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5 year performance of £1,000 invested in F&C Inv. Trust PLC £2,028; Investment trust average £1,498; Unit trust average £1,691 and Bldg. Soc. £1,312.

\*The statutory 0.5% Govt. Stamp Duty on purchase.

The value of shares and the income from them can fall as well as rise and you may not get back the full amount invested. Past performance is not a guide to the future. All figures sourced Microcap, 23 yrs 30.4.76-30.4.96, 5 yrs national average. (Actual Plan charges: 0.2% commission on purchase and sales, + 0.5% Govt. Stamp Duty on purchase. Unit trust figures based on bid, net income reinvested. Building Society figures based on highest net available UK Savings £25,000 and total return, net income reinvested. Foreign & Colonial Management Limited (regulated by SRO and the Personal Investment Authority) or its subsidiaries are the Managers of the investment trusts.

Offshore managed funds and UK managed funds are listed in Section One

صندوق الاستثمار



صكيات الاموال

FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Cityline Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Table of FT Managed Funds Service listing various fund categories such as Global, UK, and International funds with their respective prices and performance metrics.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts including names like 'The British Property Unit Trust' and their current values.

PROPERTY UNIT TRUSTS

Table listing property unit trusts such as 'Falcon Property Unit Trust' and 'New Court Property Fund' with their details.

Advertisement for Novotel hotels featuring the text 'SAVE YOUR POCKET MONEY. (CHILDREN GO FREE AT NOVOTEL.)' and a small image of a child.

INSURANCES

Table listing various insurance policies and providers, including life insurance and general insurance options.

Continuation of the FT Managed Funds Service table, listing a wide range of investment funds and their performance data.



Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Main table containing financial data for various insurance and fund categories, including Royal Liver Assurance, Scottish Provident Institution, and various unit trusts.

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name, price, and other details.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rate.

MANAGEMENT SERVICES

Table listing various financial management services and providers, including investment management and advisory services.

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FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 676 4378 for more details.

Offshore Insurances and Other Funds

Main table containing fund names, prices, and performance metrics. Includes sub-sections for 'OTHER OFFSHORE FUNDS' and 'MANAGED FUNDS NOTES'.

Advertisement for Rockwell Avionics with text: 'In Europe's crowded skies, Rockwell Avionics plays a key role in promoting safety and efficiency.' Includes Rockwell logo.

Vertical text on the left margin: 'le', 'ia's', 'ople', 'E IS', 'ROPE', 'OTE OF', 'EISENBERG'.



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Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Aug 23 / US\$)

Table of stock market data for North America, including S&P 500, Dow Jones, and various sector indices.

EUROPE

WESTERN EUROPE (Aug 23 / DM)

Table of stock market data for Western Europe, including DAX, FTSE 100, and other regional indices.

EUROPE (Aug 23 / Pts)

Table of stock market data for Europe, including Nikkei, Hang Seng, and other Asian indices.

Advertisement for Peregrine fixed income securities, featuring an eagle logo and text: 'Fixed on Asian Income. Peregrine has the largest team of professionals dedicated to the origination and distribution of Asian fixed income securities.'

INDICES

Table of global stock indices including Argentina, Australia, Canada, France, Germany, Hong Kong, India, Japan, Korea, Malaysia, Mexico, New Zealand, Norway, Philippines, Portugal, Singapore, South Africa, South Korea, Sweden, Switzerland, Taiwan, Thailand, Turkey, UK, USA, and Venezuela.

US INDICES

Table of US stock indices including Dow Jones, S&P 500, NASDAQ, and various sector indices.

AFRICA

Table of stock market data for Africa, including Johannesburg and other regional indices.

ASIA

Table of stock market data for Asia, including Nikkei, Hang Seng, and other regional indices.

INDEX FUTURES

Table of index futures data including S&P 500, Dow Jones, and other derivatives.

NEW YORK ACTIVE STOCKS

Table of new York active stocks including various individual stocks and their performance.

YUKANE INDEX

Table of Yukane index data including various regional indices.

FINANCIAL DATA

Table of financial data including interest rates, exchange rates, and other economic indicators.

الاصح



WORLD STOCK MARKETS

US tobacco stocks under pressure

President Bill Clinton confirmed plans to bring the industry under the Food and Drug Administration's purview, but investors' greater concern was the cliffhanger verdict on a lawsuit brought in an Indianapolis court. At lunchtime, with the verdict still tensely awaited, Philip Morris had edged up 3/4% to \$87 1/2, and RJR Nabisco had risen 5/8% to \$25 1/2.

Canada Toronto saw volume dwindle from 48.2m shares to 38.7m at noon, as the TSE 300 composite index rose 3.40 to 5,185.50. In golds, TVX and Kinross rose 30 cents to C\$11.55 in 780,000 shares, and 25 cents to C\$11 in 720,000 shares.

hold. The IPC index was off 48.34 at 3,540.99 by midday. La Moderna, the tobacco group, was the leading faller at mid-session with the A shares down 3.3 per cent at 37.60 pesos as a number of domestic institutions turned shy of the sector following potentially damaging lawsuits being heard in the US.

Austria left holding the wooden spoon

Vienna has crumbled again, says William Hall. Which world stock market, apart from Japan, is still over 40 per cent below its all-time high? Austria, where Jim Rogers, the motor-biking US investment guru, once made a fortune, is the unfortunate holder of the wooden spoon award for the worst performing European stock market of the 1990s.

Nutricia justifies Milupa acquisition

There was a flurry of activity in Nutricia in AMSTERDAM. Brokers upgraded the stock after the company reported a 51 per cent rise in first half profits and the shares rallied to Ft 18.40 or 9.6 per cent to Ft 210, after an intra-day high of Ft 215.

operation to Spar. The company declined to comment on the report. MILAN got a boost from news that the country's largest bank, San Paolo, was to cut its prime rate by 50 percentage points to 10.25 per cent from Monday. The Milan index rose 6 to 9,720 and the Comit 2.35 to 608.48.

own new high of FM339, to FM18 after adding a dairy cattle feed invention to its quiver this week. WARSAW extended its winning streak to a second consecutive session. The WIG index rose another 290.8 to 13,888.2, up 11.6 per cent over the seven-session run.

THE WEEK'S CHANGES table with columns for % Change and rows for Warsaw, Helsinki, Paris, Amsterdam, Milan, Frankfurt.

FT-SE Actuaries Share Indices table with columns for Aug 23, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, Aug 0.

South Africa Improved market sentiment helped Johannesburg shake off some of the gloom seen earlier in the week, with the overall index up 85.2 at 940.85.

Nikkei rally ends after profit-taking

The market's recent rally came to an end as profit-taking took hold, Reuters reports from Tokyo. The Nikkei index, which had got off to a strong start following the cut in rates by the German Bundesbank, closed off 134.41 at 21,238.50, after trading between 21,388.01 and 21,181.20.

THE WEEK'S CHANGES

Table with columns for % Change and rows for Manila, Wellington, Sydney, Jakarta, Tokyo, Taiwan.

LONDON EQUITIES

Table with columns for Bid, Offer, High, Low, and rows for various equities like ASDA, Allied Domecq, Anglo, Anglo Irish, Anglo Saxon, Anglo Saxon Bank, Anglo Saxon Finance, Anglo Saxon Insurance, Anglo Saxon Life, Anglo Saxon Property, Anglo Saxon Services, Anglo Saxon Technology, Anglo Saxon Utilities, Anglo Saxon Vehicles, Anglo Saxon Warrants, Anglo Saxon Options.

RISERS AND FALLS

Table with columns for Rise, Fall, and rows for British Funds, Other Funds, Mineral Extraction, General Manufacturers, Consumer Goods, Services, Utilities, Finance, Investment Trusts, Others.

FT/SE ACTUARIES WORLD INDICES

Table with columns for US, Japan, Europe, Asia, and rows for various world indices.

THE WEEK'S CHANGES

Table with columns for % Change and rows for Manila, Wellington, Sydney, Jakarta, Tokyo, Taiwan.

FT GOLD MINES INDEX

Table with columns for Bid, Offer, High, Low, and rows for various gold mines.

FRIGHTS OFFERS

Table with columns for Rate, and rows for various freight offers.

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LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talsman system. They are not in order of execution but in ascending order which denotes the day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date. † Bargains at special prices. ‡ Bargains done the previous day.

British Funds, etc

General S.A. DE CV. £300m 6.50% Contd Ord No 2000/2001 - 2001
Dedra Finance NV. £100m 7.75% Nts 2001 - 2001
Deutsche Pfandbrief-Liquid AG 2000m 4.125% Contd Ord No 2000/2001 - 2001

Foreign Stocks, Bonds, etc

Albany National Treasury Servs PLC 7.125% Contd Ord No 2001 - 2001
Albany National Treasury Servs PLC 7.125% Contd Ord No 2001 - 2001

Starling Issues by Overseas

Bank of America 10 1/8% Ln Sks 2001/06 - 2001/06
Bank of America 10 1/8% Ln Sks 2001/06 - 2001/06

Listed Companies (excluding Investment Trusts)

ABF Investments PLC 5 1/8% Ln Sks 2001/06 - 2001/06
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WEEKEND BUSINESS

Home & Office Software

REAL-TIME & END-OF-DAY TECHNICAL ANALYSIS SOFTWARE FROM INDEXIA

Real-time and end-of-day technical analysis software from Indexia. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

UNIVERSAL MBRM ADD-INS LAUNCH OF VERSION 7

Universal MBRM Add-Ins. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

ACT THE SALES MANAGEMENT SYSTEM

Act the Sales Management System. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

DISCOVER FREE SHARE PRICES

Discover Free Share Prices. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

CENTRAL SOFTWARE RETAIL BANKING SYSTEM

Central Software Retail Banking System. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

NEW LOW RATE AMERICAN OFFERS

New Low Rate American Offers. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

TELECOMMUNICATIONS

Telecommunications. Features include: Real-time analysis of market data, End-of-day analysis of market data, Technical analysis of market data.

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BUSINESS FOR SALE

ETBA FINANCE FINANCIAL AND ECONOMIC SERVICES S.A.

ANNOUNCEMENT OF A PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR THE SALE OF THE ASSETS OF THE "COMMERCIAL AND INDUSTRIAL PLASTIC PRODUCTS S.A." with the trade name of "ASPA PLAST HELLAS" PRESENTLY UNDER SPECIAL LIQUIDATION

ETBA Finance Financial and Economic Services S.A. established in Athens at 1, Erasmou Street, 4th Floor, Athens, Greece, in its capacity as special liquidator of the above company, presently under special liquidation as per article 46a of Law 1892/1990 and in accordance with Decision No 450/1996 of the Plenary Court of Appeal.

ACTIVITY AND SUMMARY DESCRIPTION OF THE COMPANY The company under special liquidation has a factory which produces PVC profiles and plastic frames. It is situated in



صوتك من الامل

LONDON STOCK EXCHANGE

MARKET REPORT

Footsie drives through 3,900 to another peak

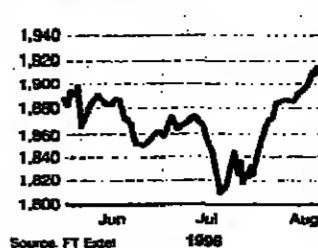
By Steve Thompson, UK Stock Market Editor
The "blooded factor" was well and truly in evidence in London's stock market yesterday as UK shares shrugged off a poor opening by Wall Street and an indifferent showing by bonds.

Gains were spread right across the board with the second time stocks making equally rapid progress and the FT-SE Mid 250 index finishing the day 22.3 higher at 4,424.6. The junior index remained well short of its all-time high, 4,586.6, however.

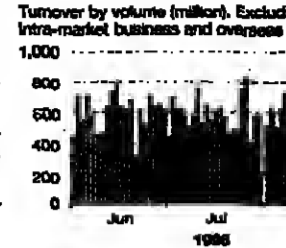
The CBI said interest rates will not have to rise until after the next election.
Gains in the stock market were all the more impressive, according to dealers, in that there was no support for equities from gilts.

An hour after London closed, the Dow was 13 points lower.
Footsie's early and successful dash for the 3,900 level came as no shock to marketmakers who had predicted such a move, although the extent of the subsequent rise was a surprise.

FT-SE-A All-Share Index



Equity shares traded



Indices and ratios

Table with 3 columns: Index Name, Value, Change. Includes FT-SE Mid 250, FT-SE-A 350, FT-SE-A All-Share, etc.

FT-SE 100 Index

Table with 2 columns: Index Name, Value. Includes Closing index for Aug 23, Change over week, etc.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for major stocks like ASDA Group, Abbey National, Alcatel, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table showing stock index futures and options trading data for FT-SE 100, FT-SE Mid 250, and Euro FT-SE.

Support from US lifts ICI

The market re-rating of ICI gathered pace yesterday as several positive factors combined to send the stock up 20% to 813p, on heavy turnover of 3.3m shares.

Boeing 757 engines. Rolls' shares put on 6% to 225 1/2p

The shares rose by more than 3 per cent after jumping 3p to 111 1/2p, with sentiment greatly enhanced by this week's repo rate reduction in Germany.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various companies like Colson, Dawson Group, etc.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52-week high and low prices for various companies.

FT-SE Actuaries Share Indices

Table showing FT-SE Actuaries Share Indices for various sectors like FT-SE 100, FT-SE Mid 250, etc.

FT-SE-A Indices - LEADERS & LAGGARDS

Table showing FT-SE-A indices leaders and laggards with percentage changes since December 20, 1995.

Rolls rallies

British Aerospace shares rose to just below their all-time high, while Rolls-Royce recorded one of the share's sharpest advances in the Footsie on news that United Airlines had placed a \$900m aircraft order with the Airbus Industrie consortium.

Medeva improved 6p to 256p

Medeva improved 6p to 256p on the back of encouraging results from the Phase III clinical trials on Hapagene, a treatment for people who do not respond to existing Hepatitis B vaccines.

NetWest also changed its recommendation on Glaxo Wellcome

NetWest also changed its recommendation on Glaxo Wellcome. It moved from "buy" to "add" and the shares eased a penny to 921p.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, FT-SE-A 350, and FT-SE 100 Index.

FT-SE Actuaries 350 industry baskets

Table showing FT-SE Actuaries 350 industry baskets for various sectors like Diagnostics, Pharmaceuticals, etc.

LEGAL NOTICES

NOTICE OF RESOLUTIONS OF THE COMPANIES ACT 1985. NOTICE IS HEREBY GIVEN to the holders of the Bonds of the 'Bondholders' that access to the Bonds is being restricted.

BUSINESS OPPORTUNITIES

FLAT RACING PARTNERSHIP. Small but successful PARTNERSHIP seeking to expand its ownership participation by way of selective recruitment of new investors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, FT-SE-A 350, and FT-SE 100 Index.

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سكنا من الامل

LONDON SHARE SERVICE

DIY TRUSTS SPLIT CAPITAL - Cont.

Table listing various DIY trusts and their financial details, including names like 'The First Trust' and 'The Second Trust'.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their performance metrics.

INVESTMENT COMPANIES

Table listing investment companies and their share prices.

LEISURE & HOTELS

Table listing leisure and hotel companies and their share prices.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies (continued).

LIFE ASSURANCE

Table listing life assurance companies and their share prices.

MEDIA

Table listing media companies and their share prices.

PHARMACEUTICALS

Table listing pharmaceutical companies and their share prices.

PROPERTY

Table listing property companies and their share prices.

PROPERTY - Cont.

Table listing property companies (continued).

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies and their share prices.

OIL, INTEGRATED

Table listing integrated oil companies and their share prices.

OTHER FINANCIAL

Table listing other financial companies and their share prices.

PROPERTY - Cont.

Table listing property companies (continued).

SUPPORT SERVICES

Table listing support service companies and their share prices.

AIM

Table listing companies on the Alternative Investment Market (AIM).

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies and their share prices.

PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing food retailers and their share prices.

RETAILERS, GENERAL

Table listing general retailers and their share prices.

TEXTILES & APPAREL

Table listing textiles and apparel companies and their share prices.

TOBACCO

Table listing tobacco companies and their share prices.

TRANSPORT

Table listing transport companies and their share prices.

WATER

Table listing water companies and their share prices.

PROPERTY - Cont.

Table listing property companies (continued).

SUPPORT SERVICES

Table listing support service companies (continued).

AIM

Table listing companies on the AIM (continued).

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PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing food retailers (continued).

RETAILERS, GENERAL

Table listing general retailers (continued).

TEXTILES & APPAREL

Table listing textiles and apparel (continued).

TOBACCO

Table listing tobacco (continued).

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Table listing property companies (continued).

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TELECOMMUNICATIONS

Table listing telecommunications companies and their share prices.

TEXTILES & APPAREL

Table listing textiles and apparel companies (continued).

TOBACCO

Table listing tobacco companies (continued).

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AIM - Cont.

Table listing companies on the AIM (continued).

AMERICANS

Table listing American companies and their share prices.

AMERICANS

Table listing American companies (continued).

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Advertisement for SHARELINK, featuring a large graphic with the text 'GENERAL REP £15.00 CLOSING 30th SEPT' and 'WARRANTED FOR 5 YEARS'. The logo includes 'SHARELINK' and the tagline 'Helping investors help themselves.' Below the graphic, it states 'Issued by Sharelink Limited, a member firm of the London Stock Exchange, on behalf of approved plan sponsors and regulated by SFA. The terms and bases of taxation may change. Subject to no changes in regulatory/fiscal rules.'

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service obtained by FT Ltd, a member of the Financial Times Group. Company characteristics are based on those used for the FT-SE Actuaries Share Index. Closing share prices are shown in pence unless otherwise stated. High and low are based on the day's highest and lowest prices. Where shares are denominated in currencies other than sterling, the £ is indicated after the name. Symbols referring to dividend status appear in the index column only as a guide to yield and P/E ratios. Dividends and Dividend covers are published on Monday. Market capitalization shown is calculated separately for each line of stock quoted. Listings and quotations are based on the FT-SE Actuaries Share Index. Pricings and bid/ask spreads are based on latest annual reports and interim reports, where possible, are updated on interim figures. High and low are not shown on price, subject to a discount on stock of 20 pence and show the value of dividend (dividend cover) for each stock quoted. Estimated Net Asset Values (NAV) are shown for Investment Trusts in price per share, along with the percentage discount. Dividend cover is shown as a ratio of dividend to share price. The NAV basis assumes a 10% discount on the value of the company's assets and a 10% discount on the value of the company's liabilities. High and low are marked that have been adjusted to allow for dividend changes. Shares are marked as increased or required. Shares are marked as reduced, passed or deferred. Shares are marked as suspended. Rule 2 (1997) Overseas incorporated companies listed on an approved exchange. Free annual/interim report available, see details below. £100 not listed on Stock Exchange and company not subject to a same degree of regulation as listed securities. Rule 4 (2a) High incorporated non-listed companies. Price per share not shown. Indicated dividend yield after paying stock and/or rights issue based on the latest dividend in progress. Dividend cover is based on the latest dividend yield per share on earnings reported by the company. Dividend cover is based on earnings reported by the company. Dividend cover is based on earnings reported by the company.

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FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details. An international service is available for callers outside the UK, arrival subscription £290 p.a. Call 0171 573 4976 for more information on FT Cityline. For readers phoning from outside UK, please dial +44 in place of the first 0. The share prices printed on these pages are also available on the internet at <http://www.ft.com>.



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# FINANCIAL TIMES

Weekend August 24/August 25 1996

**LEGAL DEFINITIONS**  
island company a 1 computation of Robinson Crusoe 2 a desert island due 3 an overseas company incorporated in the Channel Islands or the Isle of Man. see ROWE & MAW: ascp (p1) 0171 248 4282  
**Rowe & Maw**  
LAWYERS FOR BUSINESS

## VW insists Saxony grant is legal

Bonn hopes to reach 'pragmatic' solution to row with Brussels

By Caroline Southey in Brussels and Haig Simonian in Wolfsburg

Volkswagen, the German car maker at the heart of a bitter row between the European Commission and the state government of Saxony over investment grants, yesterday insisted the money was given legally. It said it would stick to its spending plans in the former East Germany.

"We received it [the investment] legally and because we did so, we will invest it correctly," said Mr Ferdinand Pisch, VW's chairman. "We had the choice of any location; without support, it would not have been this one."

Mr Pisch said the issue was

for Saxony and the Commission to resolve. "We receive the money from Saxony, not the European Commission," he said. VW's legal experts had assured the company that the subsidy was legal.

However, he said VW would make provisions in its accounts for the disputed sums in case repayment was ever necessary. Both the Saxony state government and the Commission have threatened to take each other to court over the subsidies.

Mr Pisch's remarks follow an inconclusive meeting in Brussels yesterday between Mr Karel Van Miert, the European competition commissioner, and Mr Günter Rexrodt, the German economics minister.

"I don't think you can say we were able to overcome the problems today," Mr Van Miert told a news conference held jointly with Mr Rexrodt. But Mr Rexrodt said he and the commissioner would try to reach a "pragmatic" solution to the dispute over the next few days.

During the talks Mr Rexrodt rejected Mr van Miert's demand for the DM241m (\$181m) aid package paid to Volkswagen by the east German state of Saxony to be frozen immediately.

EU officials said one possibility was for the German government to freeze funds it is due pay to Volkswagen equivalent to the disputed money paid by Saxony. "There is still

scope for such action. But it is not very big," said one.

Attention will now focus on a meeting in Dresden on Monday between Mr Kurt Biedenkopf, the premier of Saxony, and senior VW executives including Mr Pisch. The German cabinet is due to discuss the issue on Tuesday, and the commission at its first full meeting on September 4.

Monday's meeting was originally scheduled as part of the build up to next week's launch in Dresden of VW's new Passat model - one of the two cars built at VW's Mosel plant, which, with the Chemnitz engine works, is at the centre of the row.

See Lex

## THE LEX COLUMN

### Sideways shuffle

After a nasty scare back in July, the US stock market has recovered to within spitting distance of its historic high. This is less impressive than it sounds. Since a sharp rally in January, the Dow has essentially traded sideways.

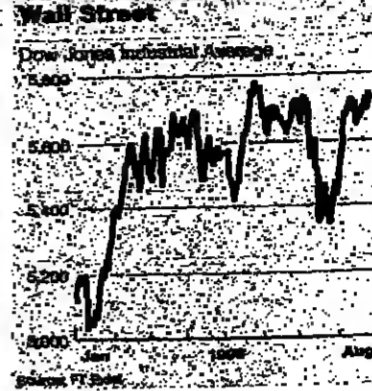
The outlook is for more of the same. Though stock prices remain expensive by most historical valuation measures, this is not in itself an argument for a correction. First, these valuations have persisted for many months. Second, sustained low inflation makes low dividend yields more tolerable than in the past. Finally, neither corporate earnings nor interest rates appear likely to shock the market.

Analysts have been lowering their 1996 forecasts for market earnings, and the outlook for 1997 is more modest still. But these changes are not large enough to jolt valuations decisively. Likewise with interest rates; few observers are expecting much upward move over the next year.

Even the flow of funds argument does not look decisive. Mutual fund inflows in the first half reached record levels in absolute terms, but were not unprecedented in relation to the size of the funds. Recent evidence suggests they have remained resilient, even after the summer scare.

If there is one concern, it is in the narrow base of the rally since July. It has concentrated mostly on the larger capitalisation stocks, with smaller stocks lagging. If they fail to catch up, the current recovery will start to look unsustainable.

FT-SE Eurotrack 200: 1734.7 (+4.8)



has a record label, box office and magazine. Crucially, most of its listeners are from the upmarket ABC1 socio-economic groups. That allows it to charge advertisers high rates per listener.

That said, on any conventional criteria, the valuation is high. Even stripping out the losses on Classic FM's overseas operations, the radio station will only make £2m-£3m in operating profits this year. GWR, an expert at running tight ships, should be able to cut perhaps £1m costs. But that still equates to an implied earnings multiple of over 40. Luckily for GWR, radio is all the rage with investors because it has been sharply increasing its share of total media advertising. And since it is paying with its own highly-valued shares, the purchase does not look too pricey.

### UK house prices

The housing market is back - sort of. House prices have risen by more than 5 per cent in six months, twice what the experts were predicting at the beginning of the year. That is not in itself surprising. Homes are more affordable than they have been for 18 years. Today an average house costs three times the average annual wage, against five times in 1988. Mortgage rates are at a 30-year low. And whereas economic growth in the past two years has been siphoned off by tax increases and growth in corporate profits, personal disposable income is now rising fairly strongly. Tax cuts and building society handouts have boosted confidence, as evidenced by the rise in general consumer spending.

Talk of a new boom, however, is misplaced. House prices have fallen 20 to 25 per cent since 1989 and the Nationwide Building Society does not expect them to get back to that peak until the end of the century even in nominal, let alone, real terms. Meanwhile, the number of transactions is still sluggish - running at only half 1980s levels.

So far, then, the UK seems to be getting a slow, wobbly housing revival. That is good news for inflation and with growth in average earnings matching forecast house price increases, affordability should remain high. Nor is a rise in base rates likely ahead of the election. But political uncertainty and the risks of higher interest rates under a future Labour government could still catch this relatively fragile recovery.

## Michelin opts to go green with coloured radial tyres

By David Owen in Paris

Henry Ford's sales patter - "any colour you like, as long as it's black" - may soon be as redundant for tyres as it is for cars, following the development by Michelin, the world's largest tyre maker, of a green-coloured radial.

The new product - the Tonus - is being tested on dozens of cars in France, Italy and Germany over the next six months. If the results are satisfactory, the tyres may go on sale next year.

Michelin says the coloured tyre has been made possible by a breakthrough in technology

enabling carbon black to be replaced by silica without affecting performance.

Carbon black lengthens the life of tyres by absorbing the ultraviolet rays, preventing the rubber from becoming brittle.

The company, based at Clermont-Ferrand in southern France, plans to target the tyres initially at young, urban drivers, and has developed them for small- and medium-sized cars.

It says it is too early to say whether they will cost more than standard black tyres. Nor has it decided whether they will be advertised under the

Michelin label or one of its other brands.

The company acknowledges that the tyre was developed for its marketing potential rather than for environmental considerations. Green was chosen as the launch colour - "green like the leaves of a tree" - because research indicated it would "go well".

The colour range is limited for technical reasons. But the company - whose shares yesterday rose Ffr1.10, or 0.5 per cent to Ffr243.90 (\$47.94), a marginally better performance than the benchmark CAC-40 index - eventually intends to make other colours available.

## Crisis in Kremlin as Yeltsin snubs Lebed

Continued from Page 1

of a political settlement. Mr Zelimkhan Yandarbiyev, the rebel Chechen leader, yesterday welcomed Mr Lebed's initiative. Talks continued between the military commanders of both sides in Chechnya, as the intensity of the fighting appeared to diminish.

On the flight back to Moscow, Mr Lebed reacted testily to reports that Mr Yeltsin was "not fully satisfied" with his security adviser's progress. "I was appointed the president's plenipotentiary without an interview with him," he said. "I was given numerous orders from the president with his facsimile signature and all the criticism reaches me through other people."

Mr Lebed will return to Chechnya today for further talks with separatist leaders about a political agreement defining the region's constitutional status. The presidential press service said Mr Yeltsin would meet Mr Lebed on his return from Chechnya next week.

According to the official Inter-Tass news agency, Mr Chernomyrdin telephoned Mr Lebed to congratulate him on taking the first important step towards ending the conflict, suggesting there is a powerful move for a peace deal.

Mr Lebed also appears prepared to appeal to the Russian people over Mr Yeltsin's head if he does not receive the top-level backing he claims is essential to solve the conflict.

He implored Russian journalists yesterday to fulfil their "professional, civil, and human duty" by reporting what was going on in Chechnya and enlisting public support for peace.

"It is our common duty to stop this crime otherwise a disaster may engulf the whole of Russia," he said.

## Prudential in talks

Continued from Page 1

Leicester building societies, both of which plan to float next year, and Friends Provident, the mutual life insurer. It is thought the group has made informal approaches to the Woolwich and Friends Provident.

The Pru has long regarded M&G Re as a "non-core" subsidiary and began looking for a trade buyer as early as 1991. The partial flotation plans were seen by some analysts as an attempt to emote out possible buyers. A partial flotation would probably raise a smaller amount than a trade sale.

A flotation might also face difficulties arousing investor enthusiasm. M&G Re would be the only UK-listed reinsurer, making the shares difficult to price. As an independent, it would be bucking the trend towards creating larger groups.

In 1995, M&G Re's general business generated operating profits of £53m and long-term, or life, business, £133m.

## Top mafia man offers to turn state's evidence

Continued from Page 1

co-operate since his arrest in May. He said the 36-year-old mafia member was only beginning to provide information which would have to be cross-checked to ensure it was genuine.

Mr Brusca is accused of complicity in the 1992 assassinations of the two leading anti-mafia magistrates, Mr Giovanni Falcone and Mr Paolo Borsellino. According to one mafia informant, Mr Brusca activated the explosion that blew up the convoy of cars carrying Mr Falcone from Palermo airport into the city.

He is also said to have been behind the 1983 bombing campaign which seriously damaged important symbolic targets like the Uffizi Gallery in Florence and the church complex of St John the Lateran in Rome.



Giovanni Brusca: agreed to give evidence to police

old son of a man who had become an informant, or pentito. Mr Brusca then assured the body was dissolved in acid.

As a pentito Mr Brusca and his dependents are entitled to complete protection and guaranteed minimum financial support by the state. At present there are some 1,400 pentiti of whom more than half are linked to the Cosa Nostra.

**FT WEATHER GUIDE**

**Europe today**  
Rain will fall in southern Norway and Sweden as a cold front approaches. The Benelux and France will have showers. Thunder showers are expected in eastern Germany. Spain will be mainly sunny, but the north-east may have thunder. The Alps and northern Italy are also likely to have thunder. Sunny conditions will prevail in the rest of Italy. The Balkan states and most of Greece will be sunny, but thunder showers are likely in southern Greece. Turkey will have hot conditions.

**Five-day forecast**  
Patchy sun in western Europe will be interspersed with showers. Southern Scandinavia and eastern Europe will have rain. Warm, sunny conditions will prevail in the Mediterranean, but Italy and Spain may have occasional thunder storms.

**TODAY'S TEMPERATURES**

Madrid	fair 28	Caracas	fair 32	Faro	sun 27	Madrid	sun 27	Rangoon	shower 31		
Calcutta	shower 17	Cardiff	shower 18	Frankfurt	shower 23	Majorca	fair 29	Manila	shower 17	Flakkeviik	fair 11
Abu Dhabi	sun 44	Belgrade	fair 25	Geneva	shower 25	Malta	sun 26	Panama	sun 26	Plo	sun 29
Accra	cloudy 26	Berlin	shower 22	Glasgow	rain 17	Manchester	shower 17	Paris	sun 23	Rome	sun 29
Algiers	shower 28	Birmingham	shower 21	London	rain 17	Melbourne	thund 33	S. Francisco	fair 23	S. Paulo	fair 28
Amsterdam	shower 20	Bogota	cloudy 20	Hamburg	shower 22	Mexico City	shower 15	Seoul	fair 28	Singapore	cloudy 32
Athens	sun 30	Bombay	shower 31	Helsinki	sun 21	Miami	cloudy 31	Stockholm	fair 23	Stockholm	shower 22
Atlanta	thund 32	Brussels	shower 20	Hong Kong	cloudy 31	Montreal	sun 27	Sydney	fair 17	Taipei	sun 28
B. Aires	shower 23	Budgetet	fair 26	Jakarta	sun 27	Moscow	shower 20	Tampere	sun 26	Tokyo	sun 28
Baham	shower 18	Chennai	shower 21	Jersey	fair 32	Mumbai	shower 23	Tel Aviv	sun 32	Toronto	fair 28
Bangkok	thund 35	Cairo	sun 35	Karachi	fair 32	Nairobi	cloudy 24	Vancouver	sun 27	Vancouver	sun 27
Barcelona	thund 27	Cape Town	shower 17	Kuwait	sun 48	Naples	sun 29	Venice	fair 24	Vladivostok	fair 24
				L. Angeles	sun 29	Nassau	thund 31	Vienna	fair 28	Warsaw	fair 24
				Las Palmas	fair 27	New York	cloudy 27	Wellington	fair 11	Washington	fair 32
				Lima	fair 20	Nice	sun 27	Winnipeg	fair 25	Zurich	cloudy 18
				Lisbon	sun 24	Nicosia	sun 34				
				London	shower 20	Ottawa	rain 19				
				Luxembourg	shower 19	Paris	fair 21				
				Lyons	shower 23	Perth	shower 17				
				Lyon	shower 23	Prague	fair 24				
				Madeira	fair 26						

Situation at 12 GMT. Temperature maximum for day. Forecasts by Meteo Consult of the Netherlands

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